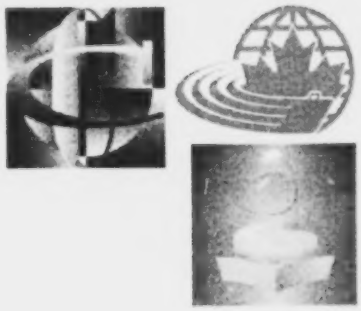
Catalogue no. 81-595-MIE — No. 038
ISSN: 1711-831X
ISBN: 0-662-42859-5

Research Paper

Culture, Tourism and the Centre for Education Statistics

Profile of Selected Culture Industries in Ontario



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Culture, Tourism and the Centre for Education Statistics
Research papers

Profile of Selected Culture Industries in Ontario

David Coish
Statistics Canada

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March 2006

Catalogue no. 81-595-MIE2006038

Frequency: Irregular

ISSN 1711-831X

ISBN 0-662-42859-5

Ottawa

Cette publication est disponible en français (nº 81-595-MIF2006038 au catalogue)

Statistics Canada

106-03670/

Acknowledgements

The assistance of numerous people within and outside Statistics Canada was crucial for the production of this report and we acknowledge their contributions.

We are grateful to the Ontario Media Development Corporation (OMDC) for sponsoring this report and to Anne Farraway and Cynthia Lynch for their review of draft versions.

Special mention also goes out to Statistics Canada employees Ann Godbold, Heidi Phillips, Mary Cromie, Alice Peters, Marla Waltman Daschko, Trish Horricks, Fidel Ifedi, Lotfi Chahdi, Norman Verma, Erika Dugas, Tom Gorman, Rosemarie Andrews and Danielle Baum for their help in bringing this report to fruition.

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

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Executive summary

Publishing

The book publishing industry was in growth mode as revenues, profits, employment and wages paid out all grew from 1996/97 to 2000/01. The exclusive agency sector, however, experienced a decline in revenues over this period, indicating that not all sectors of the industry grew.

A worrisome sign for the entire industry was a decline in the number of book readers in the 1990's. Despite this, average household expenditures on books and pamphlets grew 41.3% from 1996 to 2003. Population growth in Ontario and the increase in the price of books could not account for all of this increased spending, suggesting that readers are consuming more than before.

Books also constituted a sizeable portion of total culture imports (34.4%) and exports (12.7%) in 2004, but the dollar values remained unchanged in recent years.

The periodical publishing industry in Ontario experienced healthy revenue growth from 1996/97 to 2003/04 and profits as a percentage of total income remained steady over this period. One possible concern though, is the average circulation per issue: it fell from 38,110 in 1996/97 to 32,746 in 2003/04. Employment and remuneration, however, both rose sizably over the period.

Another concern for periodical publishers is the falling percentage of the adult Ontario population that read a magazine; it was 80% in 1992 but only 70% in 1998. Data for 2005, which will be released in 2006, will help determine whether this trend has continued.

Examining trade in magazines reveals that exports from Ontario hit a nine year low in 2004, down 41% from 1996. As a result, magazine's share of culture exports from Ontario dropped from 13.5% to 4.1%.

The Labour Force Survey (LFS) provides employment data for the broad publishing sector, including newspaper, periodical, book and directory publishing. The number of workers employed in this sector in Ontario was lower in 2004 than in 1997. Meanwhile, the entire provincial labour force grew 17.1%. The vast majority of these publishing workers were employees (94.7%) as opposed to self-employed in 2004 and over one-quarter worked part-time. This compares with 18.1% of the entire provincial labour force that worked part-time in 2004.

Government spending on the literary arts in Ontario quadrupled from 1996/97 to 2003/04, but this was still just 2.9% of total government culture spending in this province in 2003/04.

The broad written media sector (includes book and periodical publishing) in Ontario had more impact on provincial GDP than employment in 2001. This sector

constituted 29% of culture employment but 46.2% of culture GDP, indicating its importance as an economic generator in Ontario.

Sound recording

The sound recording industry in Ontario experienced large declines in revenue and profitability in recent years. In fact, its profit as a percentage of total revenue (2.3% in 2003) was the lowest of all studied industries. For purveyors of Canadian content, the lower shares of releases and revenue earned by Canadian artists working for Ontario labels may be disconcerting. Nationally, Canadian artists' share of revenue also fell.

Financial indicators, such as a decline in the number of employees and wages paid out between 1998 and 2003, illustrate that the industry has had some challenges. Furthermore, fewer adult Ontarians listened to cassettes, CDs and records in 1998 (75%) than in 1992 (81%).

Average household expenditures on compact discs, tapes, videos and video discs also fell in recent years (from 1996 to 2002). Meanwhile, the percentage of households that obtained and saved music from the Internet rose sizably from 1999 to 2002, but fell in 2003. This latter decline may coincide with an increase in the number of sites which charge for music downloading. This may also suggest that the sound recording industry in Ontario could experience some degree of post-2003 economic revival, assuming there is a link between free music downloading and the economic performance of the sound recording industry.

Other factors, of course, could have an impact on this industry. Data are not available on expenditures of sound recording products by age, but the aging of the population may be affecting music buying habits. Furthermore, speciality music channels on conventional, pay or satellite television provide new options for the buying public and competition or opportunities for the sound recording industry.

The number of hours of radio listening, a potential indicator of demand for recorded music, has trended downward since 1999. This was especially the case for teenagers, the age group most likely to download music from the Internet.

Looking at the labour force for sound recording industries reveals that although employment doubled from 1997 to 2004, in the most recent year employment fell 8%. Exports of sound recording products followed a similar pattern. They more than doubled from 1996 to 2004, but fell 9% from 2003 to 2004. Imports also more than doubled from 1996 to 2004, but did not fall in recent years.

One upward trend was the increased government support for this industry. As well, private radio broadcasting in Ontario had year-over-year revenue growth from 1996 to 2004. This was despite a decline in the average hours of radio listening over the same period.

Film, video and audio-visual

The film, video and audio-visual (including television) sector comprises the production, post-production and distribution industries. Financial performance varied for each of these industries. Film producers in Ontario saw year-over-year increases

in revenue from 1996/97 to 2003/04, but profits as a percentage of total revenues fell in recent years (2.8% in 2001/02), as expenses grew more than revenues. Television production was the primary source of revenue for Ontario's production community and earned a much higher share of total production revenue in 2001/02 (72.6%) than in 1996/97 (43.3%).

Remuneration paid to production employees and freelancers grew from 1996/97 to 2001/02 but employment stalled in the most recent year. In a positive sign for the industry, this was mostly due to a decline in part-time employees as the number of full-timers continued to grow in 2001/02.

The film post-production industry, like production, saw profit margins decline in recent years. This was because revenues dipped in 2001/02, while expenses continued to rise. Part of this increase in expenses was remuneration, which rose every year from 1996/97 to 2001/02 and at the same rate as total expenses.

For film distribution (and wholesaling) in Ontario, unlike production and post-production, revenues and profit margins both rose by healthy amounts. The industry's profit as a percentage of total revenues was 27.3% in 2003/04, the highest over the period studied. Revenue growth was due to increased earnings from the videotape wholesaling sector, as opposed to film distribution. Employment in the film distribution industry did not mirror this upward trend, however, as it dipped from 2002/03 to 2003/04, mostly due to a drop in the number of full-time employees. Given the otherwise healthy financial picture of the film distribution industry in Ontario, a decline in employment might indicate improved processes that diminished the need for employees.

The motion picture theatre industry in Ontario provides a general measure of demand for film products. This industry has seen profit as a percentage of total revenues fluctuate from 10.8% of total revenue in 1996/97, -7% in 2000/01 and 4.5% in 2003/04. Meanwhile revenues grew strongly from 2000/01 to 2002/03, but dipped slightly in 2003/04.

The number of theatres, screens and seats all declined in recent years, attendance fell 5.8% from 2002/03 to 2003/04, while average ticket prices rose from $6.79 in 2000/01 to $8.22 in 2003/04. This suggests that much of the rise in revenues and stability in profits in recent years was due to increased prices, not because of increased demand for films.

Given that most motion picture theatre revenue in Canada (and Ontario) is likely earned from the screening of foreign films[1], the performance of this industry in Ontario is more a measure of the public's interest in films, rather than directly related to the financial performance of the film production industry in this province. Furthermore, only a small percentage of film production revenues earned by Ontario producers are from feature films (5.9% in 2001/02).

Film participation, as measured by the percentage of adult Ontarians who went to a movie, was 60% in 1998 compared with 51% in 1992. Although more people watched a video on a VCR (73%) than went to a movie in 1998, this was down slightly (74%) from 1992. More current data on culture participation will be available in late 2006.

Household spending on motion picture theatre attendance also showed a general upward trend from 1996 to 2003, while spending on videotape rentals was

flat over the entire period. Both of these are segments of the market for film products, but with contradictory trends.

Another demand-side or participation measure is television viewing. This has more relevance for the Ontario production industry, as television production dominates. Although the average number of viewing hours was lower in 2003 than in 1996, recent years have shown modest increases. Furthermore, television viewership rises with age and the population is aging. This should result in increased hours of television viewing in the future and potentially spells good fortune for the television production industry in Ontario, all other factors being constant.

Although the broad motion picture and film sector had less of an impact on total culture employment in 2001 than did the written media industries, they experienced much greater growth from 1996 to 2001. As a result, film and video's share of culture employment rose from 7.2% in 1996 to 12.7% in 2001. GDP for the motion picture and film industries, however, grew at the same rate as all Ontario industries combined and less than for written media industries.

Film and video's growing strength was visible in trade as its share of imports and exports rose from 1996 to 2003. As a result, over 40% of culture export dollars were earned from film and video products, compared with 23% of imports in 2003.

The Ontario film and video industry not only has captured much of the public's attention through on-location film shoots and quality programming, it is becoming somewhat of an economic tiger, at least in terms of culture exports.

Catalogue no. 81-595-MIE2006038

1. Introduction

Ontario plays a pivotal role in the national economy due to its geographic centrality, share of national labour force (39%) and industrial output (40% of Canada's GDP). The province is also a strong force in Canada's culture industries.

A recent study by Coish[2] demonstrates the existence of culture clusters in Canada's largest metropolitan areas, including Toronto. Ontario's capital, by virtue of its position as the nation's largest urban centre, was seen to be especially dominant in the publishing (book and periodical), film (production, distribution and post-production) and sound recording industries. Other Ontario cities such as Ottawa, St. Catherine's and Kingston had strength in culture sectors such as the performing arts and heritage institutions or were home to a sizeable number of independent artists[3].

Cumulatively, Ontario is a cultural force with much employment in and output from culture industries. Firms within each culture industry in Ontario form clusters and also cross-pollinate, generating employment and industrial growth in other culture and non-culture industries. Keeping these industries humming are the many consumers in Canada's most populous province who buy or use culture products and services.

The intent of this report is to examine selected culture industries in Ontario and recent trends in the supply of and demand for culture goods and services. As well, labour force trends and characteristics and government spending on each selected industry will also be examined.

The Ontario Media Development Corporation (OMDC), the sponsoring agency for this report, defines culture industries as the book publishing, periodical publishing, sound recording, film, video and audio-visual (production, post-production and distribution) and interactive digital media industries. We are unable, however, to provide data on interactive digital media as it has not been defined as an industry under Statistics Canada's North American Industry Classification System (NAICS) so distinct data have not been collected by any of the agency's surveys. We have chosen to include the motion picture theatre industry and radio and television broadcasting in this report, however, as these industries are linked to the demand for film and sound recording products.

North American Industry Classification System

Statistics Canada's North American Industry Classification System (NAICS) codes each business establishment based on its primary source of revenue. The culture industries chosen by the OMDC correspond to the following NAICS industries - 51112 Periodical Publishers, 51113 Book Publishers, 51211 Motion Picture and Video Production, 51212 Motion Picture and Video Distribution, 51219 Post-Production and Other Motion Picture and Video Industries and 5122 Sound Recording Industries.

Additional culture industries are also examined as they have an impact on the core sound recording, publishing and film industries. These include the motion picture theatre (exhibition) industry and private radio and television broadcasting.

Industry-level data from the Labour Force Survey (LFS), however, are released only at the 4 digit-level. Therefore, the codes selected for employment analysis using the LFS are 5111 Newspaper, Periodical, Book and Directory Publishers, 5121 Motion Picture and Video Industries and 5122 Sound Recording Industries.

Surveys traditionally run by the Culture Statistics Program (CSP) have not been based on the NAICS. Respondents were selected if they earned *any* revenue from the respective culture activities. Future culture surveys (reference year 2004 and later) will be based on NAICS. Thus future studies will allow for more closely aligned comparisons between the culture survey data and other data sources and will ensure no duplication of data between surveys.

Each selected culture industry will be examined in a separate chapter. To examine culture industry supply-side factors, data were obtained from Statistics Canada's Culture Statistics Program from 1996 to 2004, where available. This program conducts business activity surveys for a number of culture industries, including those slated for inclusion in this study. Data on output, revenues, expenses, profitability and employment are collected and provide supply-side measures here. Additional Statistics Canada sources are also used, where available.

Demand-side data were primarily obtained from the General Social Survey, which provides indications of participation in culture activities. In addition, the Survey of Household Spending gives expenditure data on culture goods and services for Ontario from 1996 to 2003. These two sources provide a sense of the size of the market and whether it is growing or declining. Other demand-side information such as radio listening and television viewing are also presented, as trends in these two measures would likely have an effect on the sound recording and film industries, respectively.

Labour force characteristics data were obtained from the LFS. Although these data are available for 4-digit industry codes, there is some suppression due to sample size restrictions for the smaller industries, such as sound recording.

Government expenditures data on culture were obtained from Statistics Canada's Surveys of Federal and Provincial Government Expenditures on Culture and the Public Institutions Division (municipal data). In this analysis government expenditures are considered to be a culture input.

Although the culture labour force is examined on the supply-side (labour input), it is also considered to be a measure of economic impact in this analysis. The Economic Impact section follows the model previously developed by other Culture Statistics Program (CSP) analyses[4] and considers employment and Gross Domestic

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Product (GDP) as indicators of economic impact. Like previous studies, this is done for broad culture sectors such as written media rather than for narrower industries such as book or periodical publishing and is based on the Canadian Framework for Culture Statistics (Catalogue No. 81-595-MIE2004021).

Finally, trade in culture goods, as measured by imports and exports, will be overviewed. Culture trade has received some media attention as of late, as Canada was a key party in drafting a convention on cultural diversity to help defend cultural industries against globalizing forces. This convention was submitted to the United Nations Educational, Scientific and Cultural Organization (UNESCO)[5]. Culture trade will be examined using the Standard Classification of Goods (SCG). This also reflects the Canadian Framework for Culture Statistics.

All national comparison data are in the Appendices.

2. Publishing

2.1 Book publishing and exclusive agency[6]

The book publishing and exclusive agency[7] industry in Ontario has experienced a lot of change in recent years. The advent of the super-bookstore in the mid 1990s brought with it a new type of retail customer, one with a strong bargaining position with regards to pricing and returns.

Further, the increased use of computers has created a new challenge or an opportunity for those trying to meet the demand for books. After much talk about the oncoming age of e-books and some experimentation by a few publishers, the buying public still seems to prefer to settle down with a physical book.

Increased use of the Internet, especially among the young, however, may have come at a cost to the industry – decreased readership. Time spent on the computer is potentially time away from other activities such as reading physical books, magazines and newspapers.

Furthermore, the excerpt-like nature of many on-line materials may be enough to satisfy the reading needs of the time-crunched, reducing the demand for other reading materials. A 2005 survey of Canadians 16 years of age and older commissioned by the Department of Canadian Heritage, however, suggests that the time taken up by the Internet has affected the time spent watching television and reading newspapers and magazines, but has not had an impact on time devoted to reading books for pleasure.[8]

On the supply side, in recent years many Canadian writers have become literary icons on a global scale, being nominated for and winning international awards. Some publishers have amalgamated to either provide more competitive strength or stave off extinction. In addition, some small specialized bookstores have weathered early competitive storms created by the growth in large national chain bookstores. They have provided some continuity in the small bookstore market for authors, publishers and distributors. Others have come into existence during the storm and survived by providing a niche service such as a combined specialty coffee shop and bookstore. As a result, the book publishing industry has attained a new level of maturity not only in Ontario, but nationally.

2.1.1 Book publishing and exclusive agency - Supply-side

Financials and output

2000/01

Ontario's book publishers had a collective output of 8,842 titles published in 2000/01. Almost half (45.3%) were tradebooks including mass-market paperbacks, trade paperbacks and hardcovers. Scholarly, reference and professional/technical books

constituted one-quarter of published book titles, while almost one-in-five titles was a textbook and the remaining 10.9% were children's books.

Book reprints, another industry output, were dominated by textbooks, which comprised 58.6% of all reprints in 2000/01. This is not surprising given that many textbooks are part of a school curriculum for long periods of time.

Ontario's 244 book publishers and 18 exclusive agents garnered almost equal shares of the $1.25 billion in domestic revenue earned in this province in 2000/01. Overall, they earned $1.7 billion in revenues domestically and abroad. This constituted 70.3% of total national book publishing and exclusive agency revenues, indicating the dominance of Ontario (see Appendix A for national data).

Textbook sales by Ontario publishers showed heft, as they comprised 44.6% of domestic book sales in 2000/01, followed by scholarly, reference and professional/technical books (30.7%) and tradebooks (20.6%). Only 4.2% of publishing revenue was earned from the sale of children's books. The strength of the textbook market for domestic publishers is not surprising, given the local, provincial or national focus for many educational curriculums. This may also reflect a higher average cost of textbooks compared with tradebooks (softcover, hardcover and paperback) and children's books.

For exclusive agents, the revenue split was different as tradebooks accounted for one-half of revenues, followed by textbooks (22%) and children's books (19.7%).

Looking how revenues were earned reveals that publishing and exclusive agency sales comprised the vast majority of revenue for Ontario firms (95.3%). Grants, sale of rights and sales of other industry-related goods and services were all less than 1% of total revenue. Grants had less of an influence on total revenue in Ontario (0.9%) than nationally (2%). Overall, Ontario publishers received 32.8% of grants given out, as opposed to their 70.5% share of earned revenues.

Exports constituted $60 million of the $1.3 billion in total (domestic and export) sales by Ontario publishers and exclusive agents in 2000/01. This represented just 4.6% of such revenues earned by Ontario book publishers and agents, compared with 7.9% nationally. Other foreign sales (books printed and sold outside of Canada by an Ontario-based publisher) were $312 million in 2000/01. Overall, Ontario-based firms earned 38.9% of total national exports and 99.5% of other foreign sales. Within Ontario there is very strong dominance of the other foreign sales market by a few companies.

Sales by Ontario-based exclusive agents for foreign publishers[9], provides a partial proxy for imports, the other side of the trade equation. In 2000/01, their sales totalled $614 million. This was more than 10 times larger than book publishing and agency exports from Ontario.

Book publishers and agents spent more money on cost of sales ($825 million) than operating expenses ($727 million) in 2000/01. Among operating expenses, the category of marketing, sales, promotion and advertising was the largest, constituting one-third of the total. Examples of such expenditures would be advertisements for new books in trade publications and author-signing tours. As with most other culture industries, marketing of the product or service is a key element in sales. Administrative expenses (22.8%) and fulfillment, warehousing and shipping (19.3%) were also substantial expense items for Ontario's book publishing industry. Design

and production (1.8%), as well as interest expenses (1.4%) were fairly minor expenses. The latter indicates that collectively, the book publishing industry in Ontario did not spend a large amount of money servicing debt in 2000/01.

Jointly, the Ontario industry had a profit as a percentage of total revenues of 9.1% compared to the national average of 6.9% (see Appendix A) in 2000/01. Only 54% of Ontario publishers and agents, however, had a profit this year. This illustrates that a small number of very large publishers and exclusive agents, dominate the Ontario market, not only in terms of revenue but also profitability.

Trend

In recent years, computer technology has made it much easier to produce manuscripts and to publish books. This may have been responsible for some of the increase in the number of Ontario publishers and agents surveyed between 1996/97 to 1998/99[10]. Yet, from 1998/99 to 2000/01 the number surveyed fell. Although technology permits ease of production, there are non-production expenses, such as marketing, that may prohibit market entry, or work against sustainability.

From 1996/97 to 2000/01 the number of publishers in Ontario rose 22.6% while the number of exclusive agents fell 35.7%[11]. This was reflected in the revenue trend as firms earned 59.3% more publishing revenue domestically in 2000/01 than four years earlier, while exclusive agency revenue fell 9.8%.

Ontario firms published 8,842 titles in 2000/01 or 19% more than in1996/97. Although children's books constituted just 10.9% of all books published in 2000/01, this category rose more than any other over the period (146.2%). Textbooks followed with 39.8% more titles published in 2000/01 than in 1996/97. Tradebooks titles grew 35.7% and scholarly, reference and professional/technical books 11.9%.

All categories of books had sizeable increases in the number of titles reprinted from 1996/97 to 2000/01. Tradebooks (105%) and textbooks (103.2%) led growth, followed by scholarly, reference and professional and technical books (64.9%) and children's books (58.3%). A change in the school curriculum in Ontario in 1998 was likely one of the reasons why the number of titles printed rose substantially between 1996/97 and 1998/99 and titles reprinted rose from 1998/99 to 2000/01.

Looking at revenue by type of book sold reveals a different picture. Ontario publishers not only earned 44.6% of their domestic revenue from the sale of textbooks in 2000/01 but revenue from this type of book also rose more than any other type over the period (95.7%). Meanwhile the Consumer Price Index (CPI) for school textbooks and supplies rose only 7.3% over this period[12].

Meanwhile, one out of every two dollars earned by Ontario's exclusive agents over this period came from the sale of tradebooks. Of all book types, only children's books earned more money for agents in 2000/01 than in 1996/97 (20.6%). Agents' sales of textbooks fell the most dramatically (-32.2%).

Although publishing and exclusive agency activities earned the bulk of industry revenue in Ontario, revenues from these sources grew 14.7% which was less than the growth in sales of rights (87.7%), grants (22.7%) and all other sources of revenue (144.4%). It is impossible to conclude that the industry is diversifying, however, as publishing and exclusive agency activities were still 95.3% of total revenues.

In terms of culture trade, Ontario publishers and agents had solid growth in revenue earned outside of Canada, with a 35.2% rise in exports to $60 million in 2000/01. Other foreign sales (where an Ontario publisher prints and sells books outside of Canada) rose 10% from 1996/97 to 2000/01. In comparison, total revenue rose 17.4%.

The profit picture for Ontario publishers and exclusive agents improved steadily over the study period, rising from 4.1% in 1996/97 to 9.1% in 2000/01. This coincided with a 17.4% rise in total revenues compared with a 15.5% increase in cost of goods sold and a 7.4% rise in operating expenses. The percentage of firms with a profit also rose from a low of 44.9% in 1996/97 to 54% in 2000/01.

Although operating expenses only rose 7.4% over the period studied, money paid out for administration jumped 72.1%. Marketing expenses were the largest operating expense in 2000/01, but they were down 5.1% from 1996/97. Meanwhile, publishers paid out less for interest in 2000/01 than in 1996/97, indicating an improved debt position for their industry over this period.

Employment and personnel expenses

The book publishing and exclusive agency industry in Ontario relied mostly on full-time employees (83.6% of all employees) to churn out books in 2000/01. The full-timers share of total employees, however, declined between 1996/97 and 2000/01. This was because the number of part-timers rose 37.9%, compared with a 10.2% increase for full-timers.

All told, the industry paid out $295 million in personnel expenses (salaries, benefits and outside fees) in 2000/01. Personnel expenses grew 32.2% over the study period. The largest increase was between 1998/99 and 2000/01 when personnel expenses went from $237 million to $295 million, or a 24.5% increase. This was triple the percentage increase in total operating expenses over this period. Only part of the increase in personnel expenses can be explained by an increased number of employees. The remainder may be due to higher employee wages, or an increase in outside fees.

2.1.2 Book publishers and exclusive agents - Demand-side

Book-related participation

One challenge for Ontario book publishers appears to be the sizeable portion of the adult population who do not read books. In 1998, 39% of the population 15 years of age and older did not read a book that year. This was higher than the 36% reported for 1992.

Another measure of demand for books is library use. Only 25% of the adult Ontario population borrowed materials from a library in 1998, down from 38% in 1992.

Although a direct correlation may not exist between library visitation or book readership rates and the financial performance of the Ontario book publishing industry, they may indicate fundamental participation concerns which need to be incorporated into market strategies. The General Social Survey (GSS) does not, however, record how many books people read per year. This frequency measure has direct market relevance.

Despite these weaknesses on the demand side, revenue earned by the book publishing industry in Ontario still grew from 1996/97 to 2000/01.

Household expenditures on books

The average Ontario household spent $113 on books and pamphlets (excluding textbooks) in 2003. This exceeded the $101 spent by the typical Canadian household and was 41.3% higher than in 1996. This growth in household expenditures is in line with revenue growth for the book publishing industry in Ontario, but contradicts declining percentages of people who read books and borrow library materials. The population of Ontario, however, rose 10.6% from 1996 to 2003, likely explaining some of the rise in expenditures on books. Further, the CPI for books (excluding textbooks) and other printed matter for Canada rose 17.8% over this same period. If this rate of price increase is assumed to be the same for Ontario, then some of the increased spending on books can also be accounted for by price creep.

The average amount spent on books and pamphlets in Ontario also rose more than average household spending on all culture goods and services (31.8%). These reading materials constituted 6.9% of average household expenditures on culture goods and services[13] and 0.21% of total household expenditures in 2003. This compares favourably with the 6.5% and 0.19% they comprised in 1996.

2.1.3 Trade

Books are important culture imports. In 2004, over one-in-three import dollars spent on culture goods in Ontario were for books. Among exports, however, books comprised only one-in-eight earned dollars.

The value of book imports, however, increased only 17.1% from 1996 to 2004, leaving its share of culture good imports[14] down 7.7 percentage points. Meanwhile, book exports rose sizeably from 1996 to 1998, but have been flat since 1998. Books' share of culture goods exports dropped 2.1 percentage points, as a result.

2.2 Periodical publishing

Periodical (magazine) publishing is both a for-profit and not-for-profit activity in Ontario. The for-profit sector in recent years has had to deal with issues such as foreign-controlled split-run publications (e.g. Time). These publications produce a Canadian edition of an existing publication with some common content. This should result in lower costs of the Canadian edition, as some of the production costs are already borne by the non-Canadian version of the publication.

The availability of government grants, the types of grants and the amounts available have been important issues in discussions between periodical publishers, associations and government agencies. This became more the case with the introduction of split-run magazines, as some Canadian publishers felt that it was harder to compete with these publications.

Another issue, as will be explored later, is the decline in the percentage of adult Ontarians who read periodicals (1992 to 1998). A more recent trend is the birth of electronic magazines, or e-zines. This offers a new dimension of periodical publishing - one that improves the ease of publication and timeliness, but may also

introduce more competition in terms of available content. There is no clear indication at this time about how quickly or widely the e-zine will be accepted by the general population. As with books, for many readers the flexibility provided by the portability of a print periodical may outweigh the benefits of electronic text which must be accessed with some device, however portable.

2.2.1 Periodical publishing - Supply-side

Financials and output

2003/04

Ontario's 1,162 periodicals earned revenues of $919 million in 2003/04. Two-thirds of this revenue was from the sale of advertising, while subscription sales and single copy sales comprised 17.6% and 5%, respectively.

Data on web site/e-commerce revenues were collected for the first time in 2003/04 and amounted to $10 million, or 1.1% of total revenue. Although government grants provided only 2% of total revenue, for some periodical publishers grants made the difference between profitability and loss.

The Survey of Periodical Publishing does not collect data on export revenue. It does, however, collect the distribution of subscription copies by region, including the U.S. and other foreign countries. For Ontario periodical publishers, only 3% of all subscription copies were distributed to the U.S. and 0.6% to other foreign countries.

Production and printing costs constituted three out of every ten dollars spent by Ontario publishers in 2003/04. This was followed by editorial and design (17.3%), marketing and promotion (14.1%) and administration costs (14.1%)[16].

Web site/e-commerce expenses were greater than web site/E-commerce revenues and constituted 1.5% of total expenses. This implies that most web site/E-commerce products are probably in the early phase of the life cycle, a period that requires more start-up capital and produces less revenue.

Ontario periodical publishers had $85.6 million in profit before taxes in 2003/04. This was 9.3% of total revenues. Almost two-thirds (62.7%) of Ontario publishers earned a profit or broke even that year.

The total annual circulation for Ontario periodicals was 466 million in 2003/04. This translates to an average of 401,000 per periodical, or 32,746 per issue.

Trend

The number of periodicals produced in Ontario rose 50.5% from 1996/97 to 2003/04. This may be partly due to the increased ease of publishing electronically.

Ontario's periodical publishers earned 50% more revenue in 2003/04 than in 1996/97. By source of revenue, single copy sales doubled, while advertising revenues grew the most absolutely ($99 million). Subscription sales growth lagged behind advertising revenue growth (23.3% and 45.8%, respectively).

Government grants rose more than five-fold (from $2.9 to $18.4 million) over this period. The increase in government grants is noteworthy given the introduction of split-run publications in recent years. Grants given out to Ontario

publishers have risen from 0.4% of total revenues in 1998/99 to 2.0% in 2003/04. It should be noted, however, that the Canadian Magazine Fund (CMF) began in 2000.

Expenses rose less than revenues (43.8% and 49.9%, respectively) from 1996/97 to 2003/04.[17] As a result, the collective profit margin rose from 5.5% to 9.3% over the same period. Profits as a percentage of total revenues, however, were slightly higher at 10% in 1998/99, despite fewer government grants. The percentage of firms with a profit parallels this trend as it went from 60.9% in 1996/97, to 65.4% in 1998/99 and fell somewhat to 62.7% in 2003/04.

Finally, although annual circulation increased 54.5%, the circulation per periodical has only increased 2.6% over the period analysed, while circulation per issue has actually declined 14.1%. This was partly due to the start-up of a number of publications with small circulations.

Employment and personnel expenses

Although full-time employees dominated, the number of part-timers increased 52.5% from 1996/97 to 2003/04, outstripping the 21% growth in the number of full-timers and the 5.8% increase in the number of volunteers and unpaid staff. This was similar to book publishing in Ontario, where the number of part-timers grew more than full-timers.

The 66.4% growth in remuneration was higher than that for total expenses (43.8%). Remuneration paid to part-timers rose 129.2%, followed by freelance fees (78.5%) and full-timer's salaries and benefits (57.9%). The periodical publishing industry, like book publishing, experienced much higher growth in remuneration than in number of employees.

2.2.2 Periodical publishing – Demand-side

Periodical-related participation

Although seven out of ten Ontario adults read a magazine in 1998, this was down from the eight out of ten who did so in 1992. This reflects a general decline in readership, whether for magazines, books or newspapers.

In looking for reasons why readership has fallen, one might consider the substitution of leisure time activities such as television viewing or time spent on the Internet/computer at home. The number of hours of television viewing, however, has been relatively stable in recent years (see Section 4.5.1). Although Statistics Canada data are not available for the number of hours spent on home computers, the percentage of Canadians who use the Internet at home has risen sharply in recent years. Further, there is a proliferation of up-to-date and detailed content on the Internet on a plethora of subjects that may act as a substitute for information previously obtained from a periodical.

For periodical publishers, declining levels of readership as well as an increase in the number of small periodicals surveyed in 2003/04 may help explain the lower levels of circulation per issue over the study period. Whether declining readership is also reflected in household spending, is examined next.

Household expenditures on periodicals

The average Ontario household spent $69 on magazines and periodicals (referred to as periodical expenditures) in 2003. This was 35.3% higher than in 1996. Although this increase was less than for books (41.3%), it compares favourably with a 9% drop in spending on newspapers over this period. Periodical expenditures increased more than total household expenditures on all culture goods and services (31.8%).

The growth in expenditures on periodicals, however, was only somewhat higher than the 27.7% increase in the CPI for periodicals[18] from 1996 to 2003. Therefore, most of the increased expenditures appear to be due to price increase.

Expenditures on periodicals comprised .1% of total household expenditures in Ontario in 2003. This compares with .9% for rental of cablevision and satellite services, one of the largest culture expenditure items.

2.2.3 Trade

Imports of newspapers and periodicals in Ontario[19] were over 13 times greater than exports in 2004. As a result, these goods comprised 21.5% of all imports of culture goods into this province but only 4.1% of the exports. Newspaper and periodical imports, however, only rose 26.8% from 1996 to 2004, while all culture good imports rose 43.5%. This left newspapers and periodicals with a smaller share of total culture good imports in 2004 (21.5%) than in 1996 (24.4%).

Exports of newspapers and periodicals fell 41% from 1996 to 2004, with most of this occurring between 2002 and 2004. As a result, their share of culture good exports fell substantially, from 13.5% in 1996 to 4.1% in 2004.

2.3 All publishing industries

2.3.1 Labour force characteristics

The publishing industry (books and periodicals in this case) is supported by infrastructure which includes the labour force, government assistance, publishing facilities and the literary community. Key measurable components of the labour force include its size and characteristics. Data from the LFS are used to look at the broad publishing sector (newspaper, periodical, book and directory publishing)[20] in Ontario. Use of the LFS data, however, results in the suppression of some information due to sample size restrictions.

The number of employees in the publishing sector rose fell 3.7% from 1997 to 2004 to 38,214, but a clear year-over-year trend was not visible for the period.

Publishing workers experienced similar rates of unemployment over the study period. The rate of 4.9% in 2004 was virtually the same as that in 1997, but was 1.6 percentage points lower than for the previous year.

Despite the increased ability to desk-top publish from home, self-employment among workers in Ontario's publishing sector fell from a peak of 9.5% in 2001 to 5.3% in 2003 (2004 value was suppressed). This compares with the much higher and relatively stable share of self-employed among all provincial workers in recent years.

The percentage of publishing workers in Ontario who worked part-time in 2004 was lower than in 1997 (25% compared with 27.8%). The rate, however, spiked in 1998 and 2002 and fell in subsequent years. These peaks may point to troughs in the publishing industry business cycle; one where higher rates of part-time workers are indicative of periods of fiscal restraint. These two years were also characterized by dips in the overall number of employees in the publishing industries.

2.3.2 Government expenditures

Government expenditures, typically in the form of non-repayable capital or operating grants, are an important infusion for many culture enterprises and those in the publishing sector are no exception. They enable many publishers to start or expand operations, or publish books of significant merit that might not otherwise get published. Government expenditures are therefore treated within this analysis as an input or infrastructure item. CSP surveys of government expenditures on culture collect data on grants given out by function, including the literary arts, sound recording, film and video, broadcasting, etc. Book and periodical publishing cannot be separated out from the larger category of literary arts.

2003/04

Total government spending on the literary arts in Ontario was $85.9 million in 2003/04. This constituted 2.9% of total government spending on culture activities in this province. The federal government contributed 94.5% of this money, while the provincial government provided the rest. Municipal governments in Ontario did not spend any money on the literary arts. This was the case for most culture activities.

Trend

Government expenditures on the literary arts in Ontario quadrupled from $20.2 million in 1996/97 to $85.9 million in 2003/04, due almost entirely to an increase in federal contributions. The literary arts, as a result, had a larger share of total culture expenditures[21] in 2003/04 (2.9%) than in 1996/97 (0.9%). Nationally, government spending on the literary arts remained stable at 2.4% over this period (Appendix A).

2.3.3 Economic impact

Although the labour force is considered to be an input or infrastructure item in this analysis, it is also a key indicator of the economic impact of a given industry. Employees earn money, which in turn they spend, stimulating the economy. The greater the number of employees and wages, relative to all industries, the greater is the impact of a given industry on the entire economy.

GDP, which is the second prong in this economic impact analysis, refers to the sum of the value added to all industries in a country. GDP is a standard measure of economic impact in most analyses.

In this report, the economic impact of a broadly-defined written media sector is analysed as GDP data are only available at this level of aggregation. Appendix E provides information on the component industries that comprise each of the broad sectors which are examined.

Employment

The written media sector in Ontario had low employment growth (5.2%) from 1996 to 2001. This was much less than that for the entire culture sector (17.6%) and for all industries in Canada (15.1%). Overall, employment in this sector accounted for 29% of all culture employment in the province in 2001.

GDP

Despite low growth in employment in Ontario from 1996 to 2001, the written media sector had sizeable growth in GDP (46.3%). This was higher than for all Ontario culture industries combined and for all provincial industries. This combination of low growth in employment and reasonable growth in GDP may indicate improvements in productivity for this sector, or increased use of automated processes at the expense of labour.

Written media was the biggest contributor to provincial culture GDP (46.2%) in 2001 and overall it comprised 1.9% of Ontario's total GDP.

The written media category does not split out book and periodical publishing from other major contributors such as newspaper publishing. Therefore, revenue data are given in order to provide a sense of the relative size of each respective publishing industry. For 1998/99 (the latest common year available) the total revenues were:

book publishing and exclusive agency $1.7 million;

periodical publishing $740 million;

newspaper publishing[23] $4.6 billion (1999).

Table 2.1

Profile of book publishing and exclusive agency in Ontario

	1996-1997	1998-1999	2000-2001	Percentage change	Share 2000/01
Publishers	199	249	244	22.6	...
Exclusive agents	28	30	18	-35.7	...
Titles published *	6,517	8,772	8,842	35.7	100.0
Textbooks	1,164	1,679	1,627	39.8	18.4
Children's books	390	789	960	146.2	10.9
Tradebooks	2,955	3,843	4,009	35.7	45.3
Scholarly, reference and professional/technical	2,008	2,461	2,246	11.9	25.4
Titles reprinted *	3,528	5,485	6,844	94.0	100.0
Textbooks	1,973	2,949	4,009	103.2	58.6
Children's books	384	526	608	58.3	8.9
Tradebooks	738	1,447	1,513	105.0	22.1
Scholarly, reference and professional/technical	433	563	714	64.9	10.4
Total revenue ($'000)	1,450,886	1,567,723	1,702,697	17.4	100.0
Total sale of own and exclusive agency titles	1,414,427	1,527,596	1,622,782	14.7	95.3
Sale of rights	7,602	8,801	14,267	87.7	0.8
Sales of other industry-related goods and services	..	..	10,710	..	0.6
Grants	12,809	14,592	15,711	22.7	0.9
All other revenue	16,048	16,734	39,228	144.4	2.3
Sales in Canada ($'000)	1,086,431	1,181,757	1,250,847	15.1	...
Own titles ($'000)	392,274	441,397	624,981	59.3	100.0
Textbooks	142,356	155,256	278,585	95.7	44.6
Children's books	18,340	26,377	26,198	42.8	4.2
Tradebooks	106,516	125,489	128,480	20.6	20.6
Scholarly, reference and professional/technical	125,062	134,275	191,718	53.3	30.7
Exclusive agency ($'000)	694,157	740,361	625,866	-9.8	100.0
Textbooks	203,268	252,915	137,840	-32.2	22.0
Children's books	102,091	97,416	123,118	20.6	19.7
Tradebooks	329,206	355,670	310,210	-5.8	49.6
Scholarly, reference and professional/technical	59,592	34,360	54,698	-8.2	8.7
Agency sales for a foreign publisher in Canada ($'000)	668,735	707,006	613,590	-8.2	...
Exports ($'000)	44,518	56,425	60,193	35.2	...
Other foreign sales ($'000)	283,479	289,414	311,772	10.0	...
Cost of sales ($'000)	714,456	779,047	825,083	15.5	...
Total operating expenses ($'000)	676,371	670,387	727,105	7.4	100.0
Editorial	31,235	33,380	37,681	20.6	5.2
Design and production	12,127	13,093	13,360	10.2	1.8
Fulfillment, warehousing and shipping	142,125	130,266	140,692	-1.0	19.3
Marketing, sales, promotion and advertising	255,929	230,622	242,838	-5.1	33.4
Occupancy	26,367	27,216	38,347	45.4	5.3
Administrative	96,097	112,536	165,420	72.1	22.8
Depreciation and amortization	10,606	15,020	20,063	89.2	2.8
Interest and bank charges	10,005	7,796	9,970	-0.3	1.4
All other operating expenses	92,379	100,457	58,734	-36.4	8.1
Before-tax profit ($'000)	59,558	118,290	155,509	...	...
As a percentage of revenues	4.1	7.5	9.1	...	...
Percentage of firms with a profit	44.9	53.8	54.0	...	...

.. not available for a specific reference period

... not applicable

* Includes the activities of publishers only.

Source: Statistics Canada, Survey of Book Publishers and Exclusive Agents.

Catalogue no. 81-595-MIE2006038

Table 2.2

Employment and personnel expenses, Ontario

	1996/97	1998/99	2000/01	Percentage change
Total employees	5,569	5,458	6,348	14.0
Full-time employees	4,814	4,635	5,307	10.2
Part-time employees	755	823	1,041	37.9
Full-time (%)	86.4	84.9	83.6	21.3
Total personnel expenses ($ 000)*	222,926	237,025	294,953	32.3

* Includes salaries of full and part-time staff as well as outside fees.

Source: Statistics Canada, Survey of Book Publishers and Exclusive Agents.

Table 2.3

Percentage of individuals 15 years of age and older who participated in book publishing-related activities within the past 12 months, Ontario

Activity	1992	1998	Percentage point change
Read a book	64	61	-3
Borrow library materials	38	25	-12

Source: Statistics Canada, General Social Survey.

Table 2.4

Average annual household expenditures on books and pamphlets, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
					$				
Books and pamphlets (excluding school books)	80	86	96	95	101	108	110	113	41.3
Total culture goods and services	1,237	1,244	1,346	1,385	1,475	1,549	1,605	1,630	31.8
Total goods and services (before taxes)	41,677	43,105	44,824	46,004	48,956	50,349	53,669	54,076	29.7

Source: Statistics Canada, Survey of Household Expenditures.

Table 2.5

International trade in books, Ontario[15]

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
						($'000)				
Imports										
Books	954,151	1,077,698	1,133,693	1,142,103	1,099,149	1,096,287	1,180,612	1,125,598	1,117,772	17.1
Total culture goods	2,264,113	2,661,115	2,841,491	2,913,952	2,930,708	3,043,502	3,222,590	3,360,244	3,248,767	43.5
Books share of total culture goods imports (%)	42.1	40.5	39.9	39.2	37.5	36.0	36.6	33.5	34.4	...
Exports										
Books	94,183	130,106	158,288	156,510	144,204	157,540	176,398	178,899	156,398	66.1
Total culture goods	645,613	689,573	856,513	986,395	1,091,469	1,239,012	1,319,616	1,291,412	1,255,230	94.4
Books share of total culture goods exports (%)	14.6	18.9	18.5	15.9	13.2	12.7	13.4	13.9	12.5	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade – goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Table 2.6

Profile of periodical publishing, Ontario

	1996/97	1998/99	2003/04	Percentage change	Share 2003/04
Total number of periodicals	772	951	1,162	50.5	...
Total revenues ($'000)	612,783	739,925	918,756	49.9	100.0
Advertising	419,168	511,824	610,982	45.8	66.5
Single-copy sales	22,808	28,121	45,917	101.3	5.0
Subscription sales	131,176	155,031	161,700	23.3	17.6
Government grants	2,860	3,194	18,426	544.3	2.0
Web site/E-commerce	..	..	10,071	..	1.1
Ancillary products	..	..	30,004	..	3.3
Other revenues	36,771	41,754	41,656	13.3	4.5
Total expenses ($'000)	579,264	665,851	833,112	43.8	100.0
Editorial and design	89,908	99,494	144,378	60.6	17.3
Production and printing	206,532	229,973	248,770	20.5	29.9
Fulfillment and invoicing	24,388	19,663	96,522	295.8	11.6
Marketing and promotion	50,951	67,031	117,532	130.7	14.1
Cost of sales of advertising	61,940	80,296	..	..	..
Distribution	42,694	49,079	71,992	68.6	8.6
Administration and general	102,852	120,314	117,159	13.9	14.1
Web site/E-commerce	..	..	12,431	..	1.5
Ancillary products	..	..	24,327	..	2.9
Profit before taxes ($'000)	33,519	74,074	85,645	155.5	...
Profit as percentage of total revenues	5.5	10	9.3	...	...
Percentage of periodicals with a profit	60.9	65.4	62.7	...	...
Total annual circulation ('000)	301,472	314,035	465,709	54.5	...
Circulation per periodical ('000)	391	330	401	2.6	...
Circulation per issue	38,110	30,474	32,746	-14.1	...

.. not available for a specific reference period

... not applicable

Source: Statistics Canada, Periodical Publishing Survey.

Table 2.7

Employment and personnel expenses, Ontario

	1996-1997	1998-1999	2003-2004	Percentage change
Total employees	3,837	4,360	4,947	28.9
Full-time employees	2,876	3,010	3,481	21.0
Part-time employees	961	1,350	1,466	52.5
Full-time (%)	75.0	69.0	70.4	...
Volunteers and unpaid staff	2,289	2,189	2,422	5.8
Total personnel expenses ($'000)	146,315	171,657	243,496	66.4
Full-time	110,608	130,669	174,700	57.9
Part-time	9,958	10,966	22,824	129.2
Freelance fees	25,748	30,023	45,972	78.5

... not applicable

Source: Statistics Canada, Periodical Publishing Survey.

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Table 2.8

Percentage of individuals 15 years of age and older who participated in periodical publishing-related activities within the past 12 months, Ontario

Activity	1992	1998	Percentage point change
Read a newspaper	91	80	-11
Read a magazine	80	70	-11

Source: Statistics Canada, General Social Survey.

Table 2.9

Household internet use by location of use (percentage of households), Ontario

	1997	1998	1999	2000	2001	2002	2003	Percentage point change
Home	19.3	25.5	32	44.1	53.4	57.7	59.7	40.4
Work	23.3	25.6	24.2	30.9	35.9	39.8	40.5	17.2
School	10.6	12.6	16	20.6	24.4	26.3	25.3	14.7
Public library	4.4	4.7	4.9	8.3	10.1	10.9	10.8	6.4
Other locations	3.1	2.4	3.3	3.2	10.6	12.1	12	8.9
Any location	32.9	39.1	44.5	54.2	63.7	67.4	68.4	35.5

Notes: Published data for 1997 and 1998 relate to computer communications as banking by telephone, business use of the Internet and wide area network. Data for 1999 relate to use of the Internet.

Any location includes use from home, school, work, public library or other location and designates a household as only using once, irrespective of use from multiple locations.

Source: Statistics Canada, Household Internet Use Survey.

Table 2.10

Average annual household expenditures, magazines and periodicals

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
Magazines and periodicals	51	64	69	59	65	60	68	69	35.3
Total culture goods and services	1,237	1,244	1,346	1,385	1,475	1,549	1,605	1,630	31.8
Total goods and services (before taxes)	41,677	43,105	44,824	46,004	48,956	50,349	53,669	54,076	29.7

Source: Statistics Canada, Survey of Household Expenditures.

Table 2.11

International trade in newspapers and periodicals, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
						($'000)				
Imports										
Newspapers and periodicals	551,965	605,277	638,514	624,226	646,256	632,802	594,750	698,654	699,756	26.8
Total culture goods	2,264,113	2,661,115	2,841,491	2,913,952	2,930,708	3,043,502	3,222,590	3,360,244	3,248,767	43.5
Newspapers and periodicals share of total culture goods imports (%)	24.4	22.7	22.5	21.4	22.1	20.8	18.5	20.8	21.5	...
Exports										
Newspapers and periodicals	86,990	81,467	88,363	86,650	97,739	95,068	92,817	80,269	51,344	-41.0
Total culture goods	645,613	689,573	856,513	986,395	1,091,469	1,239,012	1,319,616	1,291,412	1,255,230	94.4
Newspapers and periodicals share of total culture goods exports (%)	13.5	11.8	10.3	8.8	9.0	7.7	7.0	6.2	4.1	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade – goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Table 2.12

Select labour force characteristics, newspaper, book, periodical, book and directory publishing industries and total labour force, Ontario

	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Newspaper, periodical, book and directory publishing industries									
Number	39,666	31,697	33,267	40,175	33,888	32,337	38,367	38,214	-3.7
Unemployed (%)	4.6	5.3	4.4	x	x	x	6.5	4.9	...
Class of worker									
Employee (%)	91.1	91.6	94.0	93.9	90.5	95.5	94.7	x	...
Self-employed (%)	8.9	8.4	6.0	6.1	9.5	4.5	5.3	x	...
Full-time/part-time status									
Full-time (%)	72.2	69.4	75.5	75.9	76.5	70.9	74.3	75.0	...
Part-time (%)	27.8	30.6	24.5	24.1	23.5	29.1	25.7	25.0	...
Total labour force									
Number	5,770,814	5,875,740	6,015,486	6,169,900	6,326,627	6,498,642	6,672,188	6,775,297	17.4
Unemployed (%)	8.4	7.2	6.4	5.8	6.3	7.1	7.0	6.8	...
Class of worker									
Employee (%)	84.7	84.6	84.7	85.0	85.7	86.0	85.8	85.8	...
Self-employed (%)	15.3	15.4	15.3	15.0	14.3	14.0	14.2	14.2	...
Full-time/part-time status									
Full-time (%)	80.8	81.3	82.0	82.0	82.1	81.7	81.5	81.9	...
Part-time (%)	19.2	18.7	18.0	18.0	17.9	18.3	18.5	18.1	...

... not applicable

x suppressed to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada, Labour Force Survey.

Table 2.13

Government expenditures on the literary arts[12], Ontario

	Level of government			Total gross expenditures	Share of total culture expenditures
	Federal	Provincial/ Territorial	Municipal*		
	($'000)	($'000)	($'000)	($'000)	%
Literary arts					
1996/97	15,995	4,218	..	20,213	0.9
1997/98	20,999	3,313	..	24,312	1.1
1998/99	27,150	2,756	..	29,906	1.3
1999/00	23,409	3,333	..	26,742	1.1
2000/01	35,929	3,485	0	39,414	1.6
2000/02	40,257	3,639	0	43,896	1.7
2002/03	47,421	4,382	0	51,803	1.9
2003/04	81,108	4,758	0	85,866	2.9
Total expenditures					
1996/97	1,142,842	463,677	685,844	2,292,363	...
1997/98	1,131,132	446,168	674,290	2,251,590	...
1998/99	1,115,378	517,358	622,262	2,254,998	...
1999/00	1,129,011	565,615	678,817	2,373,443	...
2000/01	1,154,167	545,424	706,032	2,405,623	...
2000/02	1,260,574	551,120	826,204	2,637,898	...
2002/03	1,357,546	599,446	841,204	2,798,196	...
2003/04	1,463,715	628,228	877,569	2,969,512	...

.. not available for a specific reference period

... not applicable

* Municipal spending is on a calendar year basis.

Sources: Statistics Canada: Survey of Federal Government Expenditures on Culture; Survey of Provincial/Territorial Government Expenditures on Culture; Public Institutions Division and Culture, Tourism and the Centre for Education Statistics Division.

Table 2.14

Economic impact (GDP and employment) for written media, all culture industries and all industries, Ontario

	1996	1997	1998	1999	2000	2001	Percentage change
Employment							
Written media	69,900	74,100	67,000	68,200	77,300	73,500	5.2
All culture industries	215,200	217,600	219,100	232,100	266,950	253,100	17.6
All industries	5,180,800	5,313,400	5,490,000	5,688,100	5,872,100	5,962,700	15.1
				($'000,000)			
GDP							
Written media	5,659	5,933	6,272	6,859	7,847	8,281	46.3
All culture industries	13,380	13,524	14,480	15,767	17,539	17,929	34.0
All industries	310,920	331,339	348,261	376,877	406,595	434,801	39.8

Sources: Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution of the Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.

3. Sound recording

The sound recording industry (record production and integrated record production distribution) has faced competition in recent years from Internet music sites that allow users to exchange or download electronic music files for free. The new variety of home entertainment options may also have affected the industry. Also, changing music formats (vinyl, 8-track, cassette, compact disc, DVD and electronic music files) may have had an impact on the market, as some buyers are slower to adopt the latest technologies if it means having to purchase expensive equipment.

Despite these challenges, major inroads have been made by many Canadian artists within the music industry. Over the past decade, Canadian singers and musicians have taken the world by storm. A review of Canadian and American top 20 lists makes evident the resounding success of Canadian artists and bands and demonstrates the visibility and saleability of Canadian recording artists. When established Canadian artists, however, sign with foreign-controlled labels, their heady sales are not included in the Canadian-controlled sound recording industry.

The Internet has also presented opportunities for the industry. Music Internet sites that charge users a fee for downloading have become a new source of revenue for the sound recording industry. Users can pick and choose individual songs while paying a fee which helps to support creators and producers of recordings. Lastly, some labels are trying to prevent revenue loss by encrypting CDs. This would prevent users from copying the CD.

3.1 Sound recording - Supply-side

3.1.1 Financials and output

2003

Ontario exhibited a high level of dominance in 2003 having captured 82.1% of national industry-related revenue ($1 billion), with only 35% of all firms. In fact, in 2000 most sound recording revenue was earned by operations within the Toronto Census Metropolitan Area (CMA).[24] Given the high concentration of foreign-controlled subsidiaries of multi-national music companies in Toronto, this is not surprising.

The typical sound recording firm in Ontario was much larger than for Canada as a whole (see Appendix B for national data), with average industry revenues of $7.7 million in 2003, compared with $3.3 million nationally. At the same time, Ontario firms were slightly less profitable with a collective profit as a percentage of total revenues of 2.3%, compared with 2.6% nationally.

Looking at the components of industry-related revenue shows that sales of recordings (Canadian artists and others) were 74.5% of revenue. Other sources of industry-related revenue such as sales of imported goods, sales of music videos and distribution for others constituted the rest (25.5%).

Works by Canadian artists[25] comprised only 9.8% of all releases in Ontario, but accounted for 12.2% of total sales. This compares with 16.1% and 15.6%, respectively, for Canada.

Cost of goods sold constituted the largest expense item for all Ontario sound recording operations in 2000 (50%), followed by other operating expenses (20.9%), marketing, sales and promotions (19.1%), interest (8.2%) and depreciation (1.8%). The high amount of expenditures on marketing, sales and promotion illustrates the importance of getting the 'word out' on a music label's artists and their CDs.

Trend

For both Ontario and Canada, the number of sound recording firms rose from 1998 to 2000, but fell by 2003. Overall, the number of firms fell 7.1% in Ontario from 1998 to 2003 (compared with a 7.1% increase nationally). The initial rise in number of firms may have been due in part to the advent and growing use of computer technology. These technologies reduce the cost of setting up a record production facility, with the result that production can take place in smaller centres. The subsequent decline, however, may be another barometer of a downturn in industry performance between 2000 and 2003.

Canadian artists' share of both releases and sales fell in Ontario from 1998 to 2003 (from 10.9% to 9.8% for releases and from 14.3% to 12.2% for sales). Nationally, Canadian artists share of releases rose slightly (from 15.2% to 16.1%), while falling as a percentage of sales (17.3% to 15.6%).

Profits as a percentage of total revenues dipped from 14.9% in 1998 to 12.8% in 2000, but plummeted to 2.3% in 2003. This was because revenues declined more (21.6%) than expenses (9.9%). Declining sound production revenues may reflect the impact of a number of factors such as Internet technology (free music downloading), the falling price of compact discs and increased competition for the entertainment dollar.

Looking at the types of revenue earned reveals that the sale of recordings by Canadian artists fell 35.6% in Ontario from 1998 to 2003, compared with a 22.7% decline in sales of foreign-artist recordings. Other revenue from industry-related activities[26], however, was stable. Among these activities, sales of music videos increased the most (115.5%) followed by distribution for others (39%). Publishing royalties also rose, but remained a small piece of the overall revenue pie.

The dramatic rise in interest expenses from 1998 to 2003 (from $2.6 to $69.7 million) explains why its share of total expenses rose from 0.3% in 1998 to 8.2% in 2003. Much of this, however, was due to increased interest expenses among several very large sound recording labels in Ontario. This was also the case nationally. In terms of other major expenditures, cost of goods sold fell 25.2% over this period, while marketing, sales and promotion expenses fell 12.7%.

3.1.2 Employment and personnel expenses

Ontario employed almost seven out of ten full-time sound recording employees working nationally in 2003 (1,562 out of 2,281). On average, each Ontario firm had 15 full-time workers, compared with 7.6 nationally. This is not surprising, given that several large record labels (majors) are located in Ontario.

Full and part-time employment in Ontario's sound recording businesses fell from 1998 to 2003. This echoed the national sound recording employment and revenue trends in both Ontario and Canada. Although the number of full-timers employed in Ontario's sound recording industry fell -21.2% in 2003, the industry is still much more reliant on these employees.

Salaries and benefits only fell 2.6% in Ontario from 1998 to 2003 (up 2.4% nationally). Given that employment fell by much more, this indicates better levels of remuneration for employees in 2003, or more money paid to outside contractors working offsite.

3.2 Sound recording - Demand-side

3.2.1 Sound recording participation

Three-quarters of Ontario adults listened to cassettes, compact discs and records in 1998. This was lower than the 81% who did so in 1992. This decline in participation preceded the decline in record sales by Ontario sound recording firms from 1998 to 2000, as shown above.

Attendance at music events or performances may also serve as a proxy for interest in music, which could have an impact on sound recording industry performance. Fewer Ontario adults 15 and over attended popular music performances in 1998 (20%) than in 1992 (23%). The same was the case for symphonic music or classical performances and operas. Only attendance at choral music performances rose (from 1% to 5%).

Although a decline in attendance at most types of music performances may be of concern to the sound recording industry, it may not indicate that the public is less interested in music. Instead it may reflect a reduced interest in attending public music events, with individuals preferring to be entertained musically within the confines of their own homes (e.g. with compact discs, downloaded music, etc.). The general aging of the population also has an effect on attendance at popular music performances; attendance at these performances was much lower for older cohorts, and the median age in Ontario rose from 35 years in 1996 to 36.5 in 2000. The continued aging of the population will likely have an impact on the sound recording industry, since tastes in music are influenced by age.

Lastly, these General Social Survey data do not reflect current conditions[27]. Therefore, no definitive conclusion can be reached on the relationship between declining attendance at music performances or declining rates of cassette, CDs and record listening from 1992 to 1998, against sound recording industry performance from 1998 to 2003, as post-1998 attendance figures may have improved.

3.2.2 Household expenditures on sound recording products

Average household expenditures on compact discs, tapes, videos and video discs totalled $127 in 2003. This was 19.1% lower than 1996 expenditures. Meanwhile the national Consumer Price Index (CPI) for audio discs and tapes rose 11.5% over this period. In 2003, expenditures on compact discs, tapes, videos and video discs comprised 0.2% of all household expenditures in Ontario, or 7.8% of expenditures on culture goods and services.

Although compact discs and tapes are included with videos and video discs in the GSS, it is possible that expenditures on sound recording products alone fell in part because of the advent of music downloading from the Internet, the increased variety of home entertainment options and an increase in the use of new technology (i.e. I Pods). A decline in revenue for Ontario sound recording firms from 1998 to 2000 (shown in Section 3.1.2) may lend some support to this hypothesis.

The Household Internet Use Survey (HIUS) reveals that the percentage of adult Canadians[28] who obtained and saved music from the Internet rose substantially from 1999 to 2002, but then fell from 24.3% in 2002 to 20.6% in 2003. For the sound recording industry, a decrease in music downloading might mean that expenditures on compact discs could start to increase again. Although the 2003 data from the Survey of Household Expenditures do not reflect this change (expenditure were up only $2 per household), 2004 and subsequent iterations might substantiate this.

The Internet was used increasingly as a medium to listen to the radio from 1999 to 2003, but less than one in six Canadian adults did so in 2003.

3.2.3 Radio listening

Hours of listening

For the total Ontario population aged 12 and over, the average hours per week of radio listening has trended downward since 1999. This coincides with a period of increased computer use, especially downloading music from the Internet. (See section 3.2.2). Looking at the declining radio listening rates for teens (from 12.4 hours per week in 1999 to 8.5 in 2004) adds further credibility to the suggestion that the Internet is influencing radio listening, especially for younger age groups. In fact, a September 2005 survey by Pollara commissioned by the Canadian Record Industry Association (CRIA) indicated that 78% of music downloading was done by those between 12 and 24 years of age[29], or just 21% of the population. This has repercussions for future radio listening and the recording industry as the 'connected' generation moves into adulthood and higher-spending age brackets.

There are age and gender differences in radio listening in Ontario. Women over the age of 50 spent more time, on average, listening to the radio than men over 50 for most of the study period. Women aged 25-34 and 35-49, however, spent less time listening to the radio.

Station format

For the sound recording industry, trends in radio listening are a bell weather of the buying public's taste.

Stations with an adult contemporary or golden oldies/rock[30] format fell from a 45.7% share of radio listening hours in 1996 to 40.6% in 2000, but rose again to 47.7% in 2003. It then dropped to 43.5% in 2004. The aging of the marketplace may help to explain the general upward trend from 2000 to 2003, but not the subsequent dip in 2004. Baby boomers were between 44 and 59 years of age in 2004 and constituted the largest potential listening cohort. This group likely had an appetite for adult contemporary or golden oldies music.

Country music was on a downward trend from 1996 to 2001, with a slight increase in market share in 2003 and 2004. The market share of stations with dance or contemporary formats has generally declined in recent years. Perhaps these types of formats are more likely to attract younger listeners; the same ones who were less likely to listen to radio in recent years and more likely to download music or swap files on the Internet. Stations based on a talk show format also lost market share, falling from 13.1% of total hours of radio listening in 1996 to 9.9% in 2004.

Although general trends are visible, there are some year-over-year swings in radio listening by station format. Future data will shed light on whether the trends are long term.

3.3 Labour force characteristics

There were 3,173 employees who worked in Ontario's sound recording industry in 2004. Although this was double the number who worked in 1997, it was down 8% from the peak in 2003. Overall, Ontario had 56.4% of all national sound recording workers in 2004.

3.4 Government expenditures

3.4.1 2003/04

Government spending on the sound recording industry in Ontario in 2003/04 was $9.8 million, or 0.3% of government dollars allocated to culture functions in this province. Federal spending accounted for 94.3% of the total, with the rest coming from provincial coffers. There were no municipal contributions.

3.4.2 Trend

Government expenditures directed to sound recording in Ontario were triple the amount given out in 1997/98 (they were virtually non-existent in 1996/97). This led to a rise in share from 0% to 0.3% of total culture expenditures for sound recording. Despite the rise, the absolute amount of expenditures was the lowest of all culture functions examined. Notwithstanding Ontario's domination of this industry, its share of government spending on sound recording was 27.6%.

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3.5 Economic impact

3.5.1 Employment

Employment in the sound recording sector peaked in 1998, declined substantially in 1999 and was relatively stable in subsequent years. Overall, employment in the sound recording and music publishing sector grew 14.5% over the study period, just below the growth rates for the entire culture sector and Canada.

3.5.2 GDP

The sound recording and music publishing sector in Ontario experienced a decline in GDP from 1996 to 2001 (-9.2%). This compares with substantial growth for the entire culture sector and Ontario economy. Like employment, this decline in culture outputs (GDP) was particularly strong from 1998 to 1999, with some degree of rebounding in 2000.

3.6 Trade

Although sound recording and music publishing imports rose 142.9% from 1996 to 2004, they still only comprised 3.4% of all imports of culture goods. Furthermore, most of this increase in imports occurred between 1996 and 1998.

Sound recording exports also rose sizeably from 1996 to 2004, but again this gain was in the early part of this period (1996 to 2001). Overall, sound recording exports accounted for virtually the same share of total culture goods exports in 2004 as in 1996.

3.7 Private radio broadcasting

The private radio industry in Ontario is profiled below, since demand for radio provides some indication of the demand for music/sound recording products. The assumption is that the health of this sector indicates a healthy demand for sound recording products.

3.7.1 2004

Privately-owned radio broadcasters in Ontario earned $459.3 million in operating revenues in 2004. Their collective net profit (before taxes) of $87.7 million was 19.1% of operating revenues. Sales of air time comprised the vast majority (98.8%) of total operating revenue. Local time sales in turn comprised 79.3% of air time sales. National and network time sales comprised the rest.

The largest operating expenses incurred by privately-owned radio stations in Ontario in 2004 were sales and promotion costs and program costs. Each of these was almost one-third of total expenses. The large amount for sales and promotion illustrate the importance of this function in the private radio broadcasting industry. In comparison, 17.5% of expenses for Ontario's sound recording industry were for marketing, sales and promotion.

Wages paid out were $195.4 million and there were 3,126 employees working in privately-owned radio stations in Ontario in 2004.

3.7.2 Trend

Unlike the Ontario sound recording industry, which had a drop in revenues from 1998 to 2000, revenues for the private radio broadcasting industry increased 11.3% over this period. For the entire 1996 to 2004 period, industry revenues rose 57.2%. Therefore, it cannot be suggested that there was a diminished interest in private radio (demand-side) that may have carried over into the sound recording sector (supply-side).

Local air time sales rose 60.7% over this period compared with 47.5% for national and network time sales. Expenses grew less than revenue growth, rising just 26.6%. As a result, the $12.8 million loss (before taxes) in 1996 was transformed into an $87.7 million profit in 2004. Profit as a percentage of operating expenses also rose over this period, from -4.4% to 19.1%. This compares with 16.4% nationally in 2004.

The 41% increase in sales and promotion spending over the study period suggests that not only are sales and promotional spending within the radio broadcasting industry important, but they are growing in importance. This compares with a 26.1% rise in program costs and 22.4% for administration and general expenses.

Table 3.1

Profile of sound recording, Ontario

	1998	2000	2003	Percentage change	Share 2003
Number of companies	113	129	105	-7.1	...
Total number of new releases	5,564	5,539	4,654	-16.4	...
By Canadian artists	605	594	457	-24.5	...
Other	4,959	4,945	4,197	-15.4	...
Canadian artists share of releases (%)	10.9	10.7	9.8	...	...
Total revenue ($'000)	1,110,787	1,092,543	871,046	-21.6	...
Total revenue from industry-related activities	1,005,128	1,042,932	808,729	-19.5	100.0
Sales of recordings-Canadian artists	114,347	104,334	73,611	-35.6	9.1
Other sales of recordings	684,709	658,642	529,159	-22.7	65.4
Other revenue from industry-related activities	206,072	279,956	205,959	-0.1	25.5
Distribution for others	28,136	56,868	39,097	39.0	...
Sales of music videos	17,080	15,472	36,813	115.5	...
Sales of imported finished goods	41,027	42,283	39,869	-2.8	...
Sales of masters, leasing and licensing fees	47,225	32,573	26,730	-43.4	...
Publishing royalties	13,494	10,262	13,795	2.2	...
Sundry income from record-industry related *	59,110	122,498	47,372	-19.9	...
Neighbouring rights royalties	..	..	2,283	..	...
Grants	834	312	1,402	68.1	...
Revenue from non industry-related activities	104,825	49,299	60,916	-41.9	...
Canadian artists share of revenues (%)	14.3	13.7	12.2	...	...
Total expenses ($'000)	944,820	952,707	851,234	-9.9	100.0
Cost of goods sold	568,920	495,564	425,477	-25.2	50.0
Interest	2,630	75,167	69,676	2549.1	8.2
Depreciation	8,885	12,593	15,528	74.8	1.8
Marketing, sales and promotion	186,500	166,404	162,749	-12.7	19.1
Other operating expenses	177,885	202,979	177,804	0.0	20.9
Profit before taxes ($'000)	165,967	139,835	19,812	-88.1	...
Profit as percentage of total revenue	14.9	12.8	2.3	...	...

.. not available for a specific reference period

... not applicable

* Includes revenue from artist management.

Source: Statistics Canada: Sound Recording Survey.

Table 3.2

Employment and personnel expenses, Ontario

	1998	2000	2003	Percentage change
Total employees	2,137	1,885	1,639	-23.3
Full-time	1,981	1,804	1,562	-21.2
Part-time	156	81	77	-50.6
Full-time (%)	92.7	95.7	95.3	
Freelancers	120	142	101	-15.8
Total personnel expenses ($'000)	117,715	128,281	114,608	-2.6

Source: Statistics Canada: Sound Recording Survey.

Table 3.3

Percentage of individuals 15 years of age and older who participated in sound recording and music-related activities within the past 12 months, Ontario

Activity	1992	1998	Percentage point change
Listen to cassettes, CDs, records	81	75	-6
View video or listen to music on the Internet	..	5	..
Attend a popular musical performance	23	20	-3
Attend a symphonic or classical performance	13	7	-6
Attend an opera	5	3	-2
Attend a choral music performance	1	5	4
Play a musical instrument	17	17	0

.. not available for a specific reference period

Source: Statistics Canada, General Social Survey.

Table 3.4

Average annual household expenditures, sound-recording products, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
					$				
Compact discs, tapes, videos, and video discs	157	118	130	126	118	148	125	127	-19.1
Total culture goods and services	1,237	1,244	1,346	1,385	1,475	1,549	1,605	1,630	31.8
Total goods and services (before taxes)	41,677	43,105	44,824	46,004	48,956	50,349	53,669	54,076	29.7

Source: Statistics Canada, Survey of Household Expenditures.

Table 3.5

Household internet use at home (percentage of households), sound recording-related activities, Canada

	1999	2000	2001	2002	2003	Percentage point change
Obtain and save music	7.8	17.8	23.3	24.3	20.6	12.8
Listen to the radio	5.0	9.3	12.3	12.3	13.1	8.1

Source: Statistics Canada, Household Internet Use Survey.

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Table 3.6

Average hours of radio listening per week, by age group, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Change
Total population	19.9	20.4	20.5	20.7	20.6	20.5	20.1	19.9	19.7	-0.2
Men:										
18 years and older	21.1	21.4	21.5	21.1	21.3	21.3	21.2	21.1	21.0	-0.1
18 to 24 years	16.0	18.3	17.3	15.6	16.5	16.5	15.6	16.0	15.7	-0.3
25 to 34 years	20.6	22.3	22.3	22.2	21.3	20.9	20.2	20.6	19.6	-1.0
35 to 49 years	22.3	22.7	22.1	21.9	22.2	22.4	22.9	22.3	22.5	0.2
50 to 64 years	22.0	21.6	20.9	21.4	22.2	22.2	22.4	22.0	22.5	0.5
65 years and older	22.1	21.8	22.8	22.1	21.7	22.2	21.5	22.1	21.4	-0.7
Women:										
18 years and older	21.0	21.2	21.4	22.0	21.9	21.6	21.2	21.0	20.7	-0.3
18 to 24 years	17.1	17.3	18.8	18.0	19.6	18.3	17.6	17.1	16.0	-1.1
25 to 34 years	17.9	19.9	19.7	20.5	19.4	20.4	18.9	17.9	17.7	-0.2
35 to 49 years	20.8	21.5	20.6	21.6	21.9	21.0	20.9	20.8	21.0	0.2
50 to 64 years	23.0	22.4	22	23.6	23.3	22.8	22.9	23.0	22.2	-0.8
65 years and older	24.1	20.8	23	24.8	24.3	24.5	24.1	24.1	24.4	0.3
Teens:										
12 to 17 years	8.8	11.4	11.1	12.4	11.0	10.8	10.0	8.8	8.5	-0.3

Source: Statistics Canada, Radio Listening Databank.

Table 3.7

Percentage share of radio listening hours by station format, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage point change
Adult contemporary/ golden oldies/rock	45.7	47.3	46.3	42.6	40.6	44.6	46.8	47.7	43.5	-2.2
Album-oriented rock	4	3.8	2.8	3.3	5.1	0.3	0.2	1.2	5.4	1.4
Canadian Broadcasting Corporation	8.5	7.9	8.9	8.7	9.7	10.1	9.2	9.3	9.3	0.8
Contemporary	0.2	0.3	5.5	8.2	4.3	6.8	4.8	1.3	3.6	3.4
Country	12.7	11.2	10.6	8.5	8.3	7.5	7.5	8.3	8.5	-4.2
Dance	1.7	1.7	0.1	0	2.6	0.9	2.6	3.7	1.4	-0.3
Easy listening	1.9	2.2	2.0	4.1	4.9	1.1	4.2	4.2	3.6	1.7
Middle-of-the-road	0.9	0.9	0.9	1.0	0.3	4.5	5.3	4.4	5.2	4.3
Other	5.5	5.3	5.2	6.0	5.0	6.0	3.4	3.1	3.4	-2.1
Sports	0	0	0	0.2	1.5	2.0	1.3	1.6	1.2	1.2
Talk	13.1	13.5	11.8	11.7	9.2	11.2	9.8	10.5	9.9	-3.2
U.S. stations	5.6	5.9	5.9	5.7	5.6	5.1	5.0	4.7	4.9	-0.7
Total listening	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

... not applicable

Source: Statistics Canada, Radio Listening Databank.

Table 3.8

Select labour force characteristics, sound recording industry and total labour force, Ontario

	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Sound recording industry	1,591	x	2,069	2,259	2,999	x	3,449	3,173	99.4
Total labour force	5,770,814	5,875,740	6,015,486	6,169,900	6,326,627	6,498,642	6,672,188	6,775,297	17.4

x suppressed to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada, Labour Force Survey.

Table 3.9

Government expenditures on sound recording[1], Ontario

	Level of government			Total gross expenditures	Share of total culture expenditures
	Federal	Provincial/ Territorial	Municipal*		
	($'000)	($'000)	($'000)	($'000)	%
Sound recording					
1996/97	57	23	..	80	0.0
1997/98	3,204	0	..	3,204	0.1
1998/99	3,230	0	..	3,230	0.1
1999/00	211	176	..	387	0.0
2000/01	2,434	496	0	2,930	0.1
2000/02	609	486	0	1,095	0.0
2002/03	9,245	254	0	9,499	0.3
2003/04	9,216	562	0	9,778	0.3
Total expenditures					
1996/97	1,142,842	463,677	685,844	2,292,363	...
1997/98	1,131,132	446,168	674,290	2,251,590	...
1998/99	1,115,378	517,358	622,262	2,254,998	...
1999/00	1,129,011	565,615	678,817	2,373,443	...
2000/01	1,154,167	545,424	706,032	2,405,623	...
2000/02	1,260,574	551,120	826,204	2,637,898	...
2002/03	1,357,546	599,446	841,204	2,798,196	...
2003/04	1,463,715	628,228	877,569	2,969,512	...

.. not available for a specific reference period

... not applicable

* Municipal spending is on a calendar year basis.

Sources: Statistics Canada: Survey of Federal Government Expenditures on Culture; Survey of Provincial/Territorial Government Expenditures on Culture; Public Institutions Division and Culture, Tourism and the Centre for Education Statistics Division.

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Table 3.10

Economic impact (GDP and employment) for sound recording and music publishing, all culture industries and all industries, Ontario

	1996	1997	1998	1999	2000	2001	Percentage change
Employment							
Sound recording and music publishing	5,500	6,600	7,700	6,500	6,500	6,300	14.5
All culture industries	215,200	217,600	219,100	232,100	266,950	253,100	17.6
All industries	5,180,800	5,313,400	5,490,000	5,688,100	5,872,100	5,962,700	15.1
				($'000,000)			
GDP							
Sound recording and music publishing	501	539	568	432	466	455	-9.2
All culture industries	13,380	13,524	14,480	15,767	17,539	17,929	34.0
All industries	310,920	331,339	348,261	376,877	406,595	434,801	39.8

Sources: Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.

Table 3.11

International trade in sound recording and music publishing goods, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
					($'000)					
Imports										
Sound recording and music publishing										
Sound recordings	38,794	64,918	89,253	89,575	78,429	78,451	82,857	90,322	100,736	159.7
Printed music	6,669	7,859	9,866	9,384	9,908	9,373	10,656	10,204	9,707	45.6
Total sound recording and music publishing	45,463	72,777	99,120	98,959	88,336	87,824	93,513	100,525	110,443	142.9
Total culture goods	2,264,113	2,661,115	2,841,491	2,913,952	2,930,708	3,043,502	3,222,590	3,360,244	3,248,767	43.5
Sound recording and music publishing share of total culture goods imports (%)	2.0	2.7	3.5	3.4	3.0	2.9	2.9	3.0	3.4	...
Exports										
Sound recording and music publishing										
Sound recordings	32,123	22,865	53,767	74,694	70,479	85,714	74,297	74,752	68,013	111.7
Printed music	174	901	21	260	328	418	343	80	72	-58.6
Total sound recording and music publishing	32,297	23,766	53,788	74,954	70,807	86,131	74,639	74,832	68,084	110.8
Total culture goods	645,613	689,573	856,513	986,395	1,091,469	1,239,012	1,319,616	1,291,412	1,255,230	94.4
Sound recording and music publishing share of total culture goods exports (%)	5.0	3.4	6.3	7.6	6.5	7.0	5.7	5.8	5.4	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade – goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Table 3.12

Profile of privately-owned radio industry, Ontario*

$'000 unless otherwise noted	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Operating revenue	292,181	311,173	343,312	359,401	382,109	405,667	416,314	438,975	459,252	57.2
Sales of air time	267,668	305,520	338,640	352,846	373,986	398,580	410,455	432,334	453,814	57.8
Local time sales	223,839	238,226	257,347	271,959	295,235	313,362	324,668	340,026	359,670	60.7
National and network time sales	63,829	67,295	81,293	80,886	78,751	85,218	85,786	92,308	94,144	47.5
National time sales	63,829	67,295	80,698	80,151	77,852	.	.	.	.	.
Network time sales	0	0	595	735	899	.	.	.	.	.
Total production and other revenue	4,512	5,653	4,672	6,555	8,123	7,088	5,860	6,641	5,438	20.5
Total expenses	296,066	305,772	317,807	331,656	337,564	356,817	369,618	364,537	374,919	26.6
Interest expense	12,868	12,315	17,811	21,762	16,449	17,149	16,849	16,248	9,760	-24.2
Operating expenses**	283,198	293,458	299,997	309,894	321,115	339,668	352,770	348,288	365,160	28.9
Program cost	95,298	95,831	95,341	101,498	105,500	110,349	117,733	116,809	120,173	26.1
Technical services	12,442	12,406	13,457	13,337	14,364	14,221	14,089	14,087	14,194	14.1
Sales and promotion	87,319	90,562	96,781	100,744	101,649	108,154	109,706	117,070	123,106	41.0
Administration and general	76,850	83,236	81,623	81,764	83,360	90,783	96,109	85,268	94,051	22.4
Depreciation	11,289	11,423	12,795	12,552	16,241	16,161	15,132	15,055	13,637	20.8
Net operating income before other adjustments	-3,885	5,401	25,506	27,745	44,545	48,850	46,696	74,439	84,333	...
Net profit before income taxes	-12,826	7,871	41,830	28,814	46,613	31,722	43,187	74,217	87,717	...
Net profit (loss) after income taxes	-11,700	5,973	30,639	16,905	29,728	23,059	35,343	52,869	61,536	...
Salaries and other staff benefits	143,238	145,513	151,829	157,326	161,700	170,363	180,881	182,603	195,403	36.4
Number of employees (weekly average)	2,961	2,906	2,958	2,978	2,983	3,139	3,035	3,100	3,126	5.6
Profit/loss as percentage of operating revenues	-4.4	2.5	12.2	8.0	12.2	7.8	10.4	16.9	19.1	...

. not available for any reference period

... not applicable

* These statistics cover private commercial radio broadcasters. They do not cover non-commercial radio broadcasters.

** With the release of 2004 data, the operating expenses category has been redefined to exclude interest expenses. Data for previous years have been restated accordingly. The new definition is consistent with the standards set out in Statistics Canada's chart of accounts.

Source: Radio and Television Broadcasting Survey.

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4. Film, video and audio-visual[32]

From the visible signs of film production shoots, to the direct and indirect impact on the province's economy and cultural life, Ontario's film industry is a dynamic player. Yet its growth and maturity has not had a straightforward trajectory. Along the way the industry has experienced changes in government incentives (provincially, nationally and globally), vacillations in the value of the Canadian dollar, SARS, global recessions, pressure from American film lobby groups to keep business in the U.S.A., as well as increased competition in many foreign jurisdictions. Changes in television programming, such as the growth in reality shows, have also necessitated adjustments. As is befitting a dynamic cultural industry, each season brings its share of new challenges and opportunities.

The film industry, however, is much more than the film shoots. Once the film is produced, post-production takes place to make the film look and sound better. From the editing of each frame, to the addition of a score and sound effects, much work takes place after the director yells the final 'cut'. In addition, with recent advances in digital animation, more film work combines live action footage with animation.

For some productions, such as advertisements, music videos and corporate videos, distribution is assured before production commences, as the work is undertaken on behalf of a client. For many television productions and theatrical features, distribution must also be set up prior to commencing filming, in order to receive production funding from public or private sources.

Film distribution arrangements typically cover a specific geographic area or time frame. Hence, a producer (or their distributor) may sell distribution rights to a number of firms covering a multitude of territories. For many films, profitability is assured when the distribution rights are sold to foreign clients. As in the sound recording industry, a producer can feast off the commercial success of their product in one or more foreign territory.

Ontario's motion picture theatres are a part of the retail link in the chain, which extends from producer to individual consumer. For many films, theatres are the venue where the consumer first sees the product. Another step in the distribution chain occurs after the film or television show is mass-produced and the DVD or video is sold by wholesalers, usually to retail clients such as video rental stores. Some films are not released in theatres at all and are released directly to retail clients.

From production and post-production to wholesale and retail distribution, the Ontario film industry has an impact on the provincial economy and cultural psyche. The magnitude of this impact depends on whether the products of Ontario's film industry achieve broad distribution and acceptance among local consumers. For many, this impact is achieved daily without awareness. When we watch local news, television advertisements done by an Ontario firm, the latest film by

David Cronenberg, a corporate video at work, or a community television program, we are experiencing some of the output of Ontario's film industry.

4.1 Film, video and audio-visual production

4.1.1 Film, video and audio-visual production – Supply-side

Financials and output

2001/02

The majority of Ontario production output in 2001/02 was television programs (57.8%). This was followed by television commercials (16.3%) and corporate videos (14.6%). Theatrical feature films were just 0.2% of output.

Although Ontario's 224 film production houses constituted 30.8% of all Canadian units in 2001/02, they earned 55.4% of total national production revenue ($926 million of the $1.7 billion)[33]. Ontario was home to several very large production companies, partly accounting for this province's dominance (see Appendix C for national data).

The average Ontario film producer earned production revenue of $4.1 million in 2001/02. This was almost double the $2.3 million earned by the typical Canadian film producer. Ontario's film production industry, as a whole, was slightly more profitable (2.8%) than the entire Canadian industry (1.2%), but this profit margin is still fairly close to the break-even point. Furthermore, three firms earned 93.6% of the operating profit for the entire industry in Ontario in 2001/02. Without these firms, the industry would have earned a profit of $2.7 million in 2001/02, instead of $42.7 million.

Ontario producers also dominated the export market. They earned 64.2% of all export revenue in 2001/02. Almost four-fifths (79.3%) of this, however, was earned by just three firms.

Ontario derived the majority of its film production revenue (72.6%) from television programming (conventional and pay). This was higher than for all Canadian producers (66.3%). Work done for advertising clients was also noteworthy in Ontario, constituting 11.4% of production revenue in Ontario. Lastly, production for industry clients such as corporate videos earned just 2% of revenue, despite constituting 14.6% of productions.

Non-production activities[34] were an important component of total revenues (38.7%) in Ontario in 2001/02; film distribution ($216.7 million) was the largest source of non-production revenue.

Salaries, wages, benefits and freelance fees were 19% of total industry expenses in Ontario in 2001/02. The broad category of "all other" operating expenses was 70.3% of total expenses.

Trend

The number of Ontario film producers surveyed by the Film, Video and Audio-Visual Production Survey fell from 254 in 1996/97 to 224 in 2001/02. There were a number of consolidations and closures among the larger producers in the Ontario

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film production industry over this period. Nationally, however, the number of producers surveyed grew from 625 to 728. This may reflect how improved technology has increased the opportunities for filmmaking. For example, digital technology has made it possible for just about anyone to produce a film with a minimal amount of equipment and human resources. Talent and critical and financial success, of course, are other matters.

The segment of the Ontario film production industry which saw the most growth in output from 1996/97 to 2001/02[35] was music videos. This is more reflective of an industry sector that was in its infancy in 1996/97 rather than growth in one that was established. Nonetheless, the number of music videos produced from 1999/2000 to 2001/02 hit a plateau. Ontario producers also saw their feature film output decline from 23 releases in 1996/97 to 6 in 2000/01, with a slight rise to 9 in 2001/02. The number of television commercials, corporate videos and educational videos all declined substantially over the study period. "Other"[36] types of productions, however, saw output grow between 1996/97 and 2001/02.

Television production, which was the bread and butter for many Ontario producers over this period, declined in output 30.4% (23.4% nationally) from 1999/2000 to 2001/02. The biggest declines were for shorter and longer productions (less than 30 minutes and 75 minutes or more) while mid-length productions (30-74 minutes) fell only 17.6% (10.2% nationally). The advent and growth of reality television in recent years may have resulted in fewer productions of other types of television shows, such as made-for television movies and dramatic and comedic series.

After several years of relative profit stability for Ontario's film producers from 1996/97 to 1999/2000, net profits declined in the two subsequent years. As a result, profits as a percentage of total revenues fell from 6% in 1999/2000 to 2.8% in 2001/02. This paralleled the national trend, except that Ontario producers were slightly more profitable than the entire Canadian film industry from 1999/00 to 2001/02.

This drop in profitability occurred despite a general upward trend (51%) in Ontario production revenues over this period. Yet this rise in revenues lagged behind the 71.6% growth registered over the same period by all Canadian producers. For Ontario producers, however, the largest increase in production revenue (16.8%) was for the most recent time period, 2000/01 to 2001/02. This was higher than the 14% growth experienced nationally.

It should be mentioned that events subsequent to 2001/02, such as the rise in the Canadian dollar, change in provincial tax credits and the outbreak of SARS, will likely have a substantial but differential impact on each respective provincial film industry. Data for 2004/05 (to be released in July 2006) will shed light on these recent industry changes.

Data on production revenue by type reveals that television programming rose by 153.4%, and grew from under half (43.3%) of all production revenue earned in Ontario in 1996/97 to almost three-quarters (72.6%) in 2001/02. The same trend was observed nationally, although not as pronounced. This happened in spite of a large decrease in the number of television programs produced in Ontario in 2001/02, compared with 1999/2000.

Meanwhile, revenue earned by Ontario producers from theatrical features, as well as productions targeted to government, educational, industrial (corporate) and other types of clients all fell from 1996/97 to 2001/02, as did their share of total production revenue. Although advertising production revenue rose slightly, it constituted just 11.4% of all production revenues in 2001/02 down from 15.8% in 1996/97.

Among sources of non-production revenue earned by production companies, non-repayable financial aid rose the most from 1996/97 to 2001/02. The amount of aid was lower in 2001/02 ($74.4 million), however, than in 1999/2000 ($107.8 million), accounting for most of the profit decrease over this period. Income from post-production services and rental of facilities both more than doubled over the study period. Film distribution revenue increased 67.4%, below the rate of increase for all sources of non-production revenue (131.5%).

Revenue earned from Ontario film production exports rose 45.8% from 1996/97 to 2001/02. This is slightly lower than the 51% growth in total production revenue in Ontario and well below the 83.1% increase in exports nationally. Most of the national increase was due to export growth among B.C. producers over this period.

Interest expenses incurred by Ontario producers rose from $8.6 million to $102.4 million over the period. Three firms, however, were responsible for $92.8 million of this interest expense in 2001/02. Therefore, it cannot be concluded that indebtedness increased generally in the film production industry in Ontario between 1996/97 and 2001/02.

Freelance fees grew much more (139.8%) than salaries and wages (57%) from 1996/97 to 2001/02, indicating either an increased reliance on outside help, or better remuneration for freelancers.

Depreciation and amortization fell two-thirds over the same period.

Employment and personnel expenses

Ontario dominated film production employment in Canada. In 2001/02, 46.3% of all full-time film production workers (2,831 of 6,111) were employed in Ontario. The Ontario-based industry also employed 34% of all part-time workers and 25.5% of freelancers. The average Ontario producer employed 12.6 full-time workers in 2001/02 compared with 8.4 for the average Canadian producer. Yet they hired fewer freelancers, on average, than the typical Canadian producer (29.6 compared with 35.7).

The number of freelancers employed in Ontario, however, grew much more than either full or part-time workers from 1996/97 to 2001/02. The rate of growth in freelancers (228.5%) far surpassed that experienced by all of Canada's film producers (108.7%).

Overall, Ontario paid out 47% of total wages, benefits and freelance fees in 2001/02. Ontario hired just slightly more than one quarter of all freelancers, but paid 45% of all freelance fees. Growth in freelance fees (139.8%) also surpassed growth in salaries and wages (57%) from 1996-97 to 2001/02. In general, Ontario freelancers were better paid than those in other provinces.

4.2 Film, video and audio-visual post-production

4.2.1 Film, video and audio-visual post-production – Supply-side

Financials and output

2001/02

Like their film production comrades, Ontario's post-production companies were, on average, larger than a typical national firm. Their average operating revenue was $5.3 million compared with $3.3 million nationally. They also had an average of 23.9 full-time employees in 2001/02, compared with 17.7 nationally.

Ontario also dominated with 66.3% of total national operating revenue, 56.6% of full-time employees and 58.1% of salaries and wages while being home to only 42% of all post-production firms.

By source of revenue, film processing (19%), film printing (18.1%)[37] and duplication/transcoding (17.4%) each earned comparable shares of total operating revenue. In addition, almost 10% of revenues were earned from film editing. Given the nature of the post-production industry, many firms perform several post–production functions.

Salaries, wages, benefits and freelance fees paid out comprised 28.6% of operating expenses for post-production firms in Ontario in 2001/02. This compares with 19% for film producers in Ontario. This illustrates the importance of human capital in the post-production industry in this province. Other operating expenses were 60.2% of the total. Interest expenses were 3%.

The collective profit as a percentage of total revenues for the industry in Ontario in 2001/02 (7.4%) was almost exactly the same as for all Canadian post-producers (7.8%).

Trend

Expanding alongside a growing film production industry in Ontario has been the post-production industry. Operating revenue growth has outpaced that for the film production industry (79.7% compared with 51%). Revenues have increased in each year from 1996/97 to 2001/02, although growth has slowed in recent years. The rate of revenue growth in Ontario over this period matched national growth.

Like film production, recent years have spelled a decline in profitability for film post-production businesses in Ontario (and nationally), as growth in operating expenses have outstripped growth in operating revenues. The 7.4% profit margin in 2001/02 was the lowest in the six year period and contrasts with 19.8% just two years earlier.

While Ontario post-production firms experienced a large increase in operating revenues earned from film printing (from $1 million in 1996/97 to $109.8 million in 2001/02), only a few firms were responsible for this increase. Editing was the only other post-production function with revenue growth above that for the entire industry (up 114% over this period). Film processing, although a major source of revenue, fell 13.1% from 1996/97 to 2001/02. Like film printing, revenues from film processing were largely earned by a few firms. Duplication and transcoding grew very little (9.4%) over this period.

Depreciation and amortization grew the most of any type of expense from 1996/97 to 2001/02 and was 8.2% of total expenses in 2001/02. Salaries and wages and freelance fees were not only a sizable portion of total expenses in 2001/02, they also grew at healthy clips over the study period (129% and 115.1%, respectively).

Employment and personnel expenses

The Ontario post-production work force, which forms an integral part of the infrastructure of the industry, grew between 1996/97 and 2001/02. Particularly noteworthy is the 100.9% increase in full-time employees, far exceeding the growth in the number of part-timers and freelancers.

Ontario's film production industry, on the other hand, saw much greater growth in part-timers and freelancers over this period. Although both the production and post-production industries experience the ups and downs of business cycles, it appears that the post-production sector offered a more secure employment environment in terms of full-time employment over the period studied. Given the nature of the post-production business, they are perhaps bettered equipped to adapt to a slow business climate in one sector by doing work for another sector, allowing them to maintain their staff.

Corresponding to this large increase in number of full-time employees, salaries and wages rose 129% from 1996/97 to 2001/02. This compares with an increase of 115.1% in fees paid to freelancers.

4.3 Film, video and audio-visual distribution

4.3.1 Film, video and audio-visual distribution – Supply-side

Financials and output

2003/04

Ontario had almost one-half (105) of all firms (215) involved in film, video and audio-visual distribution[38] and videocassette wholesaling in Canada in 2003/04. Over two-thirds of Ontario firms were involved in film and video distribution (71), while 17% were doing videocassette wholesaling and 15% were involved in both of these activities. Videocassette wholesaling, however, earned more revenues than distribution in Ontario in 2003/04 ($1.7 and $1.3 billion, respectively). The entire industry topped $3 billion for the first time that year.

Film distributors and wholesalers in Ontario incurred $2.2 billion in expenses in 2003/04. Licensing costs such as rights payments were 32.7% of total expenses, followed by cost of goods sold (wholesaling activities) at 27.4%. Advertising and promotion was an important part of the film distribution and wholesaling industry in Ontario as it comprised 18.4% of total expenses. Salaries, contract worker fees and benefits were just 5.1% of total expenses. It should be noted that some companies may have included salaries and benefits under 'other costs', especially if they did not record salary expenses separately on their own financial statements. Interest expenses and depreciation and amortization were both below 1% of total expenses in 2003/04.

Profit as a percentage of total revenues for Ontario distributors were 27.3% in 2003/04. This compares favorably with the 21.8% profit margin for all Canadian film distribution and wholesaling firms. Comparing the profit margins for all industries in the Ontario film sector for 2001/02 (latest common year) reveals that distributors and wholesalers (16.4%) were much more profitable than producers (2.8%) and post-production firms (7.4%).

Looking at primary markets shows that 21% of distribution revenue was earned from exports to clients outside of Canada. For domestic distribution, or that within Canada, the revenue split was 36.4% from the conventional television market, 33.4% from the theatrical market, 20.7% from the home video market and 8.1% from pay television.

Trend

The number of film distributors and wholesalers surveyed in Ontario has been relatively stable in recent years. This is also generally the case nationally. This may be because it is more difficult to enter the film distribution market than it would be to start a small production or post-production firm, given the capital requirements necessary to start up, and the importance of having pre-established contacts and distribution networks.

Revenue rose 113.4% among Ontario distributors and wholesalers from 1997/98 to 2003/04 exceeding the 99.4% rise in expenses. As a result, the profit margin in 2003/04 was 27.3%, higher than the 22.1% earned in 1997/98. This was the highest margin in the seven years analysed.

Revenues from the wholesaling of videos grew much more than distribution revenues (155.7% compared with 73.5%) over the study period. This changed the face of the industry as much more revenue was earned from wholesaling than distribution in 2003/04, while their market shares were comparable in 1997/98.

Distributors and wholesalers also diversified somewhat during this period, as other sources of revenue grew from $28 million to $84 million. This was 2.8% of total revenues in 2003/04.

Domestic distribution revenue earned from the home video market almost tripled from $71.9 million in 1997/98 to $211.2 million in 2003/04. As a result, this market segment comprised 20.7% of earned domestic distribution revenue in 2003/04, up from 10.7% in 1997/98. This is surprising given that household expenditures on video rental of videotapes and video discs were relatively flat over this period (see Section 4.5.1).

The pay television market rose 62.9% over this period. Slower growth was recorded for the conventional television (34.2%) and theatrical (32.1%) markets, while the non-theatrical market (e.g. film festivals, businesses) had no growth. Overall, domestic distribution revenues rose 51.8% from 1997/98 to 2003/04 in Ontario.

Revenue from foreign clients almost quadrupled from $72.7 million to $272.4 million. This meant that domestic distributors were more reliant on foreign markets in 2003/04 (21.1% of distribution revenues) than in 1997/98 (9.8%).

For Ontario firms, purchasing costs such as licensing fees (distribution) and cost of goods sold (wholesaling) grew less than other expense items from 1997/98 to 2003/04. As a result their combined share of total expenses fell from 73.1% to 60.1%. Most of the increased share of expenses was for advertising and promotion which rose from 11.8% to 18.4%.

Although depreciation and amortization and interest expenses have risen more than most expenses from 1997/98 to 2003/04, they still are a relatively small part of total expenses. Salaries and benefits have generally been in the 5% range of total expenses over this period.

Employment and personnel expenses

The film distribution and wholesaling industry in Ontario relied more on full than part-time workers in 2003/04, as the former constituted 85.4% of all staff. This was also the case for all Canadian distributors (87.3.3%). Overall, Ontario employed three out of every five people working full-time in this industry nationwide in 2003/04. Its share of wages (69.6%), however, was higher than its share of workers, indicating that Ontario workers were generally better paid.

Although full-time workers constituted the bulk of this industry's labour force in Ontario in 2003/04, the number of part-time workers grew faster. As a result, their share rose from 7.8% to 14.4% over this period.

Overall employment grew every year in Ontario's film distribution and wholesaling industry, with the exception of a decline from 2002/03 to 2003/04.

Salaries and benefits paid out by Ontario's distributors and wholesalers, however, followed a somewhat different path, increasing between 1997/98 and 2001/02, falling between 2001/02 and 2002/03 and followed by a recovery in 2003/04.

4.4 Motion picture theatres and drive-ins

4.4.1 Motion picture theatres and drive-ins – Supply-side

Financials and outputs

2003/04

There were 177 motion picture theatres in Ontario in 2003/04, including 159 regular ones and 18 drive-ins. These theatres had 1,016 screens or an average of 5.7 per theatre.

Attendance in 2003/04 totalled 43.7 million for Ontario theatres. This was an average of about 247,000 per theatre, or 43,000 per screen.

Ontario's theatres earned $483.1 million in revenues in 2003/04, with 69.8% from admission receipts and 28.2% coming from concession sales.

Expenses were $461.3 million, led by film rental and royalty payments (37.8%) and occupancy costs (25.2%). Salaries, wages and benefits were just 13.1% of total expenses. As will be seen later, the heavy reliance on part-timers helps explain this. Marketing, sales, promotion and advertising were just 0.7% of total expenses, while interest was 0.3%.

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The collective profit as a percentage of total revenues for Ontario motion picture theatres in 2003/04 was 4.5%.

Trend

From a peak of 232 theatres (regular and drive-ins) province-wide in 2000/01, the number in Ontario fell to 177 in 2003/04. This likely reflects the closure of many small theatres and the opening of multi-screen theatres that are fewer in number but larger in scale. The structural change in the industry is not just a province-wide or national phenomenon. The advent and growth in multiplex entertainment complexes is a global realignment that has changed the face of the industry. After these industry changes, small independent theatres were not only fewer in number, but they had to face a different type of competitor. In addition, home entertainment systems made it more difficult to entice movie viewers out of their homes.

In Ontario, the number of regular theatres declined from a peak of 211 in 2000/01, to 159 in 2003/04. Drive-ins, although not nearly as numerous, have also declined over the study period. This reflects a long-term decline in the popularity of this form of outdoor entertainment.

The number of screens, seats and car spaces (for drive-ins) followed a similar pattern. They dropped sizably from 2000/01 to 2002/03, followed by a smaller decline in 2003/04.

Revenues for regular theatres and drive-ins combined, however, grew strongly from 2000/01 to 2002/03. This growth was due to much higher ticket prices and relatively strong concession sales. For example, the average ticket price for all theatres rose from $6.79 to $8.07 and concession sales rose 17.6%. Paid admissions rose only 4.3% from 2000/01 to 2002/03.

In 2003/04, however, the financial picture was not as bright. The combination of a drop in attendance and a small decline in concession sales, led to a small decline in total revenue. Seat capacity utilization[39] (for theatres only) also dropped in Ontario from 19.1% in 2002/03 to 18.5% in 2003/04. This drop was less than the national decline in seat capacity (from 20.6% to 18.4%).

Overall, total revenues grew 100.7% from 1996/97 to 2003/04. Concession sales grew slightly more (100.1%) than admission receipts (94.8%). Other operating revenues grew 152.7% over this period.

Although revenues fell in 2003/04, there were also fewer theatres and screens. This resulted in a collective profit as a percentage of total revenue of 4.5%, only slightly less than the 5.2% a year earlier and loss of -6.7% in 2000/01. In 1996/97 and 1997/98, however, profit margins were much higher at 10.8% and 12.2%, respectively.

Looking at the average number of screens and seats per theatre also reveals the impact of the multiplexes on the industry. From 1996/97 to 2003/04 the average number of screens per regular theatre in Ontario rose from 3.5 to 6.2 while the average number of seats per theatre rose from 964 to 1,484.

Depreciation and amortization expenses and occupancy costs rose the most from 1996/97 to 2003/04 (333.5% and 145.8%, respectively). This was likely due to the investment in new multiscreen theatres, or multiplexes. Total expenses rose 114.9% over this period.

Employment and personnel expenses

Part-time employment characterizes the industry; nine out of ten employees were working part-time in Ontario in 2003/04. Overall, Ontario theatres paid out $60.2 million in salaries and benefits in 2003/04, an average of $8,831 per employee.

Although the number of full and part-time staff working in Ontario's motion picture theatre industry grew from 1996/97 to 2003/04, in recent years (2002/03 and 2003/04), the number of full-timers and part-timers both fell. This left full-timers at a little over 10% of all employees. Salaries and benefits rose between 1996/97 and 2002/03, but fell slightly in 2003/04.

4.5 All film, video and audio-visual industries

4.5.1 All film, video and audio-visual industries – Demand-side

Film participation

Three-fifths of Ontario adults went to a movie in 1998. This was up from 51% in 1992. Although this information is dated, the 2005 General Social Survey (GSS) (to be released in 2006) will show whether this upward trend continued.

In comparison, 73% of Ontario adults watched a video on a VCR in 1998, virtually unchanged from 74% in 1992. Since the Internet was relatively new in 1998, only 5% of Ontario adults reported viewing a video or listening to music on the Internet in that year. Its influence on movie going or the likelihood of watching a video on a VCR or DVD player will be more visible from the upcoming 2005 GSS. The same can be said for the impact of pay-for view movies.

Household expenditures on film products

Despite talk that the advent of the VCR and the DVD player would hit the movie box office hard, average Ontario household expenditures at motion picture theatres grew and surpassed that for video rentals from 1996 to 2003. Theatre expenditures rose 101.6% over this period compared with a decline of -4.4% for video rental expenditures. The higher average cost of a movie ticket compared with a video rental, however, helps explain some of the absolute difference. Like motion picture theatre revenues in Ontario in 2003/04 (see 4.4.1), household expenditures at the movies dipped slightly in 2003, as did videotape rentals.

The overall growth in household expenditures at motion picture theatres was very similar to the revenue growth by Ontario motion picture theatres (100.7%) over this period.

Television viewing

The largest market segment of the Ontario film and video production industry is television. Therefore, trends in domestic television viewership have a large impact on producers, especially if they are creating shows for domestic broadcasters. Canadian producers, however, also need to compete with global producers, especially American, in the competitive television production market.

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2003

In 2003, Ontarians aged two and over watched 20.8 hours of television per week, on average. Across all age groups and for all years (except those 60+ in 2003), women watched more television than men. Teens (12-17) watched more television than young children (2-11) in 2003. The average number of hours spent watching television rises with age for adults. This bodes well for the television production industry, given the current aging of the population.

The dominance of the foreign television market is an on-going saga for the domestic television industry, given the strength of the American film industry. The majority (69.1%) of television viewing time for Ontarians two years of age and older was spent watching foreign programs in 2003. This is despite the fact that Ontarians were much more likely to tune into a Canadian (77.7%) than foreign (22.3%) station. Even if a viewer tuned into a Canadian station, however, they spent more time watching foreign programs than Canadian ones.

Over one-half of total viewing time was spent watching news and public affairs programs (26.2%) and dramas (25%). Comedy (12.8%), variety and game shows (including reality) (12.1%) and sports programs (7.9%) followed.

Trend

Although television viewing dipped from an average of 21.8 hours per week in 1996 to 20.1 in 2001, in subsequent years viewership rose slightly. Part of the reason for this small upturn is likely demographic: older people watch more television, on average, than younger people and the population is aging. Also, there are more channels available, as well as options such as satellite or digital television.

Interestingly, women watched more television than men across all age groups. Unlike for radio listening, women in the child-rearing cohorts also watched more hours of television than men, on average.

A general downward trend in viewership for teens and children (except for teens in 2003) parallels the decline in radio listening for teens in Ontario. This may be partly due to increased home computer use among these cohorts, rather than increased physical activity levels. Although television viewership rises with age, the declining rates among the future adult audience may be a cause for concern among television production houses in Ontario.

Canadian stations grew their share of television viewing time from 1996 to 2003, but most notably from 2001 to 2003 (+5.8 percentage points). These Canadian stations increased their share for both Canadian (+2.4 percentage points) and foreign (+3.4 percentage points) programs over the period.

The overall share of viewing time earned by Canadian programs showed some variability from 1996 to 2003, but increased 2.3 percentage points from 2001 to 2003. This would appear to be good news for domestic television producers that do work for Canadian broadcasters.

Looking at viewing habits by type of program demonstrates an increased appetite in Ontario for news and public affairs programming. Hours spent watching these types of programs rose the most (4.2 percentage points) from 1996 to 2003, so by 2003 it had surpassed dramas as the most popular type of program. It should

be noted, however, that most of this change happened from 2002 to 2003. Future data will indicate whether this was an anomaly or the start of a trend.

Viewers also wanted more light entertainment as variety and game shows rose 3.5 percentage points. Reality television programs are part of this category. The program types which lost the most market share were dramas (down 3.1 percentage points) and sports (down 1.8 percentage points).

4.5.2 Labour force characteristics

The number of workers in the Ontario motion picture and video industry rose by 38.8% from 1997 to 2004, more than double the growth for the total Ontario labour force.

The percentage of the Ontario film and video labour force which was self-employed vacillated over the 1997 to 2004 period, but peaked at 33.8% in 2004. This was much higher than for the entire Ontario labour force (14.2%) and the publishing industries (6.4%).

The share of the film and video labour force that worked part-time also peaked in 2004 at almost one-in-three employees (32.6%). Once again, however, there was no obvious trend over the 1997 to 2004 period.

4.5.3 Government expenditures

2003/04

Government expenditures on film and video[40] in Ontario were a substantial $135.9 million in 2003/04. This was 4.6% of total culture expenditures in this province. The federal government was the primary contributor to the film and video sector (95.3%). All provincial governments collectively spent a higher percentage of culture dollars on the film and video sector (17.3%) than did the Ontario provincial government (4.7%). Municipal contributions were nil.

Trend

Government expenditures on film and video[41] were relatively stable from 1996/97 to 2001/02, rose in 2002/03, and were stable in 2003/04. As a result this industry's share of total culture expenditures was fairly stable from 1996/97 to 2003/04.

The Ontario provincial government's share of expenditures on film and video declined from a high of 8.4% in 1999/00 to 3.4% in 2002/03, but rose slightly to 4.7% in 2003/04.

4.5.4 Economic impact

Employment[42]

There were 32,200 workers in the Ontario motion picture and video sector (See Appendix E for definition) in 2001. This was 12.7% of total employment in culture industries and 0.5% of total employment in all industries.

Employment within the motion picture and video sector in Ontario more than doubled from 1996 to 2001. For the entire culture sector in Ontario, growth was 17.6%, while for all industries it was 15.1%. To put this in the perspective of other

culture sectors, employment in publishing rose 5.2% over the same period, while for sound recording it rose 14.5%. The motion picture and video industries 32,200 workers, however, paled in comparison to the 73,500 working in written media in 2001, but greatly exceeded the 6,300 who worked in sound recording. It should be repeated, however, that the written media, motion picture and video and sound recording sectors are broad groupings and do not correspond to the narrower industries, as surveyed by the Culture Statistics Program.

GDP[43]

GDP for the film sector in Ontario was $1.5 billion in 2001. This was 8.4% of total culture GDP in this province and 0.3% of total provincial GDP. From 1996 to 2001, GDP growth for the motion picture and video industries in Ontario kept pace with total GDP growth for all industries (39.3% compared with 39.8%). It exceeded, however, the growth rate for all culture industries (34%). As noted above, growth in the film industries in Ontario has had a greater impact on employment than GDP.

4.5.5 Trade[44]

Imports and exports of film and video goods represented the driving force behind growth in culture trade in Ontario between 1996 and 2004. Growth in video imports (398.6%) drove total film and video imports to $729.6 million in 2004 compared with $153.2 million in 1996. As a result, their share of culture goods imports rose from 6.8% to 22.5%.

Exports of film and video goods from Ontario also grew substantially (229.6%) between 1996 and 2004. Unlike imports, however, it was exports of films that grew more (273.5%) than exports of videos (186.4%).

Film and video goods represented 41.1% of all culture exports dollars earned in Ontario in 2004, up from 24.3% in 1996.

Ontario accounted for a large share of Canada's total film and video goods imports (84.1%) and exports (80%) in 2004. In comparison, Ontario accounted for a smaller share of all the country's culture imports (73.3%) and culture exports (52.2%).

4.6 Private television broadcasting

4.6.1 2003

Privately-owned television stations in Ontario earned $913 million in operating revenue in 2004. Most of this was revenue from the sale of air time (94.5%). Further, most air time sales were national and network (87.7%), as opposed to local (12.3%).

Program costs comprised over two-thirds of the $827 million in total expenses in 2004, while sales and promotion and administration and general expenses were 9.8% each.

There were 2,864 employees working in privately-owned television stations in Ontario in 2004 and they received $208.4 million in salaries and other staff benefits.

4.6.2 Trend

Operating revenue was up 38.8% from 1996 to 2004, but down slightly (-1.8%) in 2004 compared with the previous year.

Unlike privately-owned radio stations, most of the increase in revenues for television stations was from national and network time sales, which grew 41.7%. Local time sales increased marginally (5.4%).

Although expenses rose slightly less (36.7%) than revenues from 1996 to 2004, they rose strongly (7%) from 2003 to 2004. This, coupled with a drop in operating revenue in 2004, led to a large decline in net profits (before taxes) from $132.1 million to $48.3 million from 2003 to 2004. The net profit as a percentage of operating revenue, as a result, dipped from 14.2% to 5.3%.

The number of employees rose marginally (2.2%) from 1996 to 2004, while salaries and other staff benefits rose 33.4%. Although substantial, this was less than the increase in total expenses.

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Table 4.1

Profile of film, video and audio-visual production, Ontario

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Percentage change*	Share of 2001-2002
Number of producers	254	238	229	251	225	224	-11.8	...
Number of productions*	x	x	x	5,437	3,792	4,020	-26.1	100.0
Theatrical features	23	20	16	13	6	9	-30.8	0.2
Television productions *	x	x	x	3,334	2,107	2,322	-30.4	57.8
under 30 minutes	x	x	x	542	117	232	-57.2	x
30-74 minutes	x	x	x	2,119	1,869	1,745	-17.6	x
75 minutes or more	x	x	x	673	121	345	-48.7	x
TV commercials	1,055	868	1,367	1,025	760	654	-36.2	16.3
Music videos	19	44	123	134	168	130	-3.0	3.2
Corporate videos	970	671	667	723	538	585	-19.1	14.6
Home videos **	10	8	17	..	..	..	..	..
Educational productions	28	33	65	30	19	19	-36.7	0.5
Other **	283	326	26	178	194	301	69.1	7.5
Production revenue by type ($'000)***	613,355	705,016	684,286	732,714	793,337	926,425	51.0	100.0
Movies for theatrical release	66,133	31,287	25,715	28,917	41,602	54,585	-17.5	5.9
Television	265,535	301,415	476,821	533,813	557,222	672,936	153.4	72.6
Advertising	97,212	105,121	118,676	95,536	113,904	105,498	8.5	11.4
Government	40,047	48,613	10,563	11,149	10,813	14,940	-62.7	1.6
Educational	1,357	319	701	1,263	596	625	-53.9	0.1
Industry	25,462	19,882	17,954	16,211	21,396	18,403	-27.7	2.0
Other	117,609	198,379	33,856	45,825	47,804	59,437	-49.5	6.4
Non-production revenue ($'000)	253,182	245,967	446,733	554,360	580,535	586,082	131.5	100.0
Rental of production facilities	21,875	28,395	43,716	50,399	58,313	58,613	167.9	10.0
Post-production services	8,445	3,200	13,752	23,396	20,860	22,561	167.2	3.8
Distribution of other producers' products	129,490	122,172	164,031	163,526	205,238	216,732	67.4	37.0
Other operating revenue	84,470	84,622	106,825	144,890	175,476	184,896	118.9	31.5
Non-repayable financial aid	5,845	5,953	86,560	107,819	93,487	74,409	1173.0	12.7
Dividends	144	74	132	4	79	13	-91.0	0.0
Other	2,913	1,551	31,718	64,324	27,082	28,858	890.7	4.9
Total revenue ($'000)	866,539	950,984	1,131,020	1,287,074	1,373,872	1,512,507	74.5	...
Exports ($'000)	291,478	373,586	362,229	407,357	348,838	424,900	45.8	...
Total operating expenses ($'000)	814,182	888,708	1,054,816	1,209,927	1,320,155	1,469,852	80.5	100
Salaries and wages	95,205	88,707	88,412	105,064	131,591	149,495	57.0	10.2
Employee benefits	6,749	6,576	8,217	8,178	13,252	15,394	128.1	1.0
Freelancers' fees	47,985	70,478	119,348	114,749	120,239	115,054	139.8	7.8
Depreciation and amortization	158,100	26,496	78,617	89,426	45,647	53,828	-66.0	3.7
Interest expense	8,603	5,240	31,268	42,318	73,994	102,427	1090.6	7.0
All other operating expenses	497,541	691,211	728,955	850,193	935,433	1,033,654	107.8	70.3
Profit ($'000)	52,357	62,276	76,204	77,147	53,717	42,655	-6.0	...
Profit as percentage of total revenue	6	6.5	6.7	6	3.9	2.8	...	...

.. not available for a specific reference period

... not applicable

x suppressed to meet the confidentially requirements of the *Statistics Act*

* Data for Number of television productions for 1997/98 and 1998/99 are suppressed due to an error in data collection. Hence, the Percent Change for Number of productions is calculated from 1999/2000 to 2001/02.

** In the 1999/2000 survey, 'home video' was removed from the type of production categories due to low reporting. The type of productions previously reported under this category are now included in the category 'Other'.

*** The categories under Production revenue (by type) are not the same as in previous data releases.

Source: Statistics Canada, Film, Video and Audio-Visual Production Survey.

Table 4.2

Share of total film production revenue by type of client, Ontario

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
Movies for theatrical release	10.8	4.4	3.8	3.9	5.2	5.9
Television	43.3	42.8	69.7	72.9	70.2	72.6
Advertising	15.8	14.9	17.3	13.0	14.4	11.4
Government	6.5	6.9	1.5	1.5	1.4	1.6
Educational	0.2	0.0	0.1	0.2	0.1	0.1
Industry	4.2	2.8	2.6	2.2	2.7	2.0
Other	19.2	28.1	4.9	6.3	6.0	6.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistics Canada, Film, Video and Audio-Visual Production Survey.

Table 4.3

Film, video and audio-visual production employment and personnel expenses, Ontario

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Percentage change
Total employees	2,413	2,851	4,104	4,080	4,569	4,550	88.6
Full-time	1,679	1,647	2,130	2,412	2,474	2,831	68.6
Part-time	734	1,204	1,974	1,668	2,095	1,719	134.2
Full-time (%)	69.6	57.8	51.9	59.1	54.1	62.2	
Freelancers	2,019	2,995	5,044	5,908	6,732	6,633	228.5
Working proprietors	26	21	27	21	17	13	-50.0
Total personnel expenses ($ 000)	149,939	165,761	215,977	227,991	265,082	279,943	86.7
Salaries and wages	95,205	88,707	88,412	105,064	131,591	149,495	57.0
Benefits	6,749	6,576	8,217	8,178	13,252	15,394	128.1
Freelancers fees	47,985	70,478	119,348	114,749	120,239	115,054	139.8

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Production Survey.

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Table 4.4

Profile of film, video and audio-visual post-production, Ontario

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Percentage change	Share of 2001/02
Number of firms	102	101	105	119	115	115	12.7	...
Total revenue ($'000)	345,321	405,681	501,505	572,248	621,367	610,568	76.8	...
Operating revenue ($ 000)	337,999	397,671	500,193	570,825	604,859	607,301	79.7	100.0
Film printing	992	1,715	66,649	98,558	113,549	109,756	10964.1	18.1
Film processing	133,096	142,075	78,358	109,792	119,441	115,646	-13.1	19.0
Editing	27,442	33,162	44,645	50,513	49,665	58,656	113.7	9.7
Film/video transfers	13,305	10,720	21,752	18,200	22,543	22,738	70.9	3.7
Duplication, transcoding	96,347	139,870	45,278	123,943	91,200	105,446	9.4	17.4
Dubbing, subtitling	3,500	811	2,111	4,362	5,677	5,280	50.9	0.9
Animation	..	..	..	..	24,174	23,646	..	3.9
Audio post-production	..	..	..	..	13,452	17,372	..	2.9
Other production and post-production	45,586	55,567	142,809	81,362	66,504	63,105	38.4	10.4
All other operating	17,730	13,751	98,589	84,094	98,653	85,657	383.1	14.1
Operating expenses ($'000)	274,012	342,295	413,579	458,787	539,548	565,590	106.4	100.0
Salaries and wages	59,515	75,060	120,969	118,049	123,119	136,292	129.0	24.1
Employee benefits	14,431	5,619	10,935	12,210	14,904	16,484	14.2	2.9
Freelancers' fees	4,209	4,810	6,336	8,393	9,141	9,054	115.1	1.6
Depreciation and amortization	16,339	18,983	29,644	37,401	45,178	46,546	184.9	8.2
Interest expense	10,930	10,421	12,917	11,015	32,737	16,871	54.4	3.0
All other operating expenses	168,588	227,402	232,778	271,719	314,469	340,343	101.9	60.2
Profit ($'000)	71,309	63,386	88,026	113,461	81,819	44,978	...	...
Profit as percentage of total revenue	20.7	15.6	17.5	19.8	13.2	7.4	...	...

.. not available for a specific reference period

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Post-Production Survey.

Table 4.5

Employment and personnel expenses, Ontario

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Percentage change
Total employees	1,891	2,259	2,903	3,063	3,178	3,378	78.6
Full-time	1,371	1,761	2,437	2,570	2,623	2,754	100.9
Part-time	288	181	168	149	240	343	19.1
Full-time (%)	72.5	78.0	83.9	83.9	82.5	81.5	...
Freelancers	220	302	282	315	295	263	19.5
Working proprietors	12	15	16	29	20	18	50.0
Total personnel expenses ($'000)	78,155	85,489	139,248	138,652	147,164	161,830	107.1
Salaries and wages	59,515	75,060	120,969	118,049	123,119	136,292	129.0
Benefits	14,431	5,619	10,935	12,210	14,904	16,484	14.2
Freelancers	4,209	4,810	6,336	8,393	9,141	9,054	115.1

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Post-Production Survey.

Table 4.6

Profile of film, video and audio-visual distribution and wholesaling, Ontario

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	Percentage change	Share of 2003/04
Number of firms	84	97	99	102	102	100	105	25.0	100.0
Both distributing and wholesaling	5	6	7	10	14	14	16	220.0	15.2
Film and video distribution only	70	78	76	79	73	69	71	1.4	67.6
Videocassette wholesaling only	9	13	16	13	15	17	18	100.0	17.1
Total revenue ($ 000)	1,421,435	1,766,645	1,954,719	2,278,758	2,543,733	2,873,124	3,033,877	113.4	100.0
Distribution titles	745,511	862,884	935,425	1,097,062	1,223,087	1,319,686	1,293,508	73.5	42.6
Wholesaling videocassettes	647,805	860,497	973,537	1,099,754	1,244,780	1,462,226	1,656,384	155.7	54.6
Other operating revenue	25,761	37,979	38,867	74,067	68,760	86,110	59,912	132.6	2.0
Non operating revenue	2,357	5,285	6,890	7,875	7,106	5,102	24,073	921.3	0.8
Total expenses ($ 000)	1,106,701	1,465,487	1,718,561	1,896,820	2,126,702	2,358,840	2,206,966	99.4	100.0
Salaries and wages	49,407	66,844	87,349	95,331	98,632	88,699	94,017	90.3	4.3
Benefits	4,182	7,127	9,162	9,550	10,456	10,158	12,551	200.1	0.6
Fees paid to contract workers	..	957	2,032	2,931	4,873	4,871	3,685	..	0.2
Licensing costs	437,358	595,476	680,651	722,053	743,659	840,050	721,162	64.9	32.7
Duplication, dubbing, sub-titling	47,115	112,075	135,964	139,550	134,066	137,174	155,916	230.9	7.1
Advertising and promotion	130,942	182,801	221,077	333,106	370,887	377,147	406,565	210.5	18.4
Videocassette and DVD wholesaling – cost of good sold	371,264	378,778	408,496	401,718	567,410	609,300	603,739	62.6	27.4
Depreciation and amortization	6,481	15,796	29,218	33,008	33,448	44,522	20,061	209.5	0.9
Interest expenses	2,097	8,532	8,996	5,287	6,618	10,837	7,429	254.3	0.3
All other distribution and operating	57,853	97,101	135,615	154,286	156,653	236,081	181,841	214.3	8.2
Profit ($ 000)	314,734	301,158	236,158	381,938	417,031	514,284	826,911	162.7	...
Profit as a percentage of total revenue	22.1	17.0	12.1	16.8	16.4	17.9	27.3	...	...

.. not available for a specific reference period

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey.

Table 4.7

Film, video and audio-visual distribution and wholesaling revenue by primary market, Ontario

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	Percentage change	Share of 2003/04
					('000)				
Distribution	745,511	862,884	935,425	1,097,062	1,223,087	1,319,686	1,293,508	73.5	...
Revenue from foreign clients	72,707	114,269	116,278	153,498	146,410	207,443	272,415	274.7	...
Domestic distribution	672,804	748,614	819,147	943,564	1,076,678	1,112,243	1,021,093	51.8	100.0
Theatrical	257,187	300,850	344,435	374,023	383,018	424,718	339,846	32.1	33.3
Pay TV	50,625	38,889	41,391	58,118	84,248	83,752	82,476	62.9	8.1
Conventional TV	276,745	303,873	312,391	358,101	409,063	404,482	371,273	34.2	36.4
Home video	71,928	90,211	105,023	132,356	185,632	184,828	211,202	193.6	20.7
Non-theatrical	16,320	14,792	15,907	20,966	14,716	14,463	16,296	-0.1	1.6

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey.

Table 4.8

Film, video and audio-visual distribution employment and personnel expenses, Ontario

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	Percentage change
Total employees	1,161	1,499	2,172	2,239	2,294	2,505	2,429	109.2
Full-time	1,067	1,368	1,971	2,009	2,072	2,330	2,075	94.5
Part-time	90	131	190	217	217	168	349	287.8
Full-time (%)	91.9	91.3	90.7	89.7	90.3	93.0	85.4	
Working proprietors	4	0	11	13	5	7	5	25.0
Personnel expenses ($'000)*	53,589	73,971	96,511	104,881	109,087	98,857	106,568	98.9

* Includes salaries of full and part-time staff as well as outside fees.

Source: Statistics Canada, Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey.

Table 4.9

Profile of motion picture theatres and drive-ins, Ontario

	1996/97	1997/98	1998/99	1999/00	2000/01	2002/03	2003/04	Percentage change	Share of 2003/04
Number of theatres	212	215	205	220	232	183	177	-16.5	100.0
Regular theatres	189	192	184	200	211	163	159	-15.9	89.8
Drive-ins	23	23	21	20	21	20	18	-21.7	10.2
Paid admissions ('000)	34,332	35,838	40,376	43,838	44,502	46,411	43,716	27.3	...
Average ticket price ($)	5.16	5.41	5.71	6.15	6.79	8.07	8.22	59.3	...
Number of screens	703	792	862	1,097	1,195	1,032	1,016	44.5	...
Number of seats (Regular theatres)	182,121	196,078	212,140	263,030	282,015	238,548	235,949	29.6	...
Number of cars (drive-ins)	15,506	15,603	11,851	11,511	11,937	9,366	8,676	-44.0	...
Seat capacity – theatres only (%)	25.9	19.1	18.3	19.8	15.4	19.1	18.5	...	...
Revenue – combined ($'000)	240,681	265,097	317,016	365,197	402,644	491,340	483,109	100.7	100.0
Admission receipts	168,028	183,439	216,295	249,194	275,854	341,953	337,248	94.8	69.8
Concessions	68,191	76,001	94,977	109,087	118,172	138,957	136,471	100.1	28.2
Other operating	3,542	5,011	5,071	5,537	8,370	10,183	8,951	152.7	1.9
Non-operating	920	646	676	1,380	248	247	438	-52.4	0.1
Total expenses ($'000)	214,716	232,862	291,722	360,227	429,668	465,916	461,329	114.9	100.0
Salaries and wages	36,680	36,809	43,974	51,777	56,398	56,626	55,155	50.4	12.0
Employee benefits	3,474	3,700	4,145	5,410	5,124	5,272	5,039	45.0	1.1
Film rental and royalty payments	79,128	87,758	106,161	122,737	135,474	178,149	174,508	120.5	37.8
Cost of refreshments sold	15,034	18,552	22,193	26,265	24,882	26,758	26,441	75.9	5.7
Occupancy costs	47,261	50,430	67,317	91,322	123,164	112,550	116,159	145.8	25.2
Depreciation and amortization	9,461	10,701	19,263	20,650	37,228	37,693	41,009	333.5	8.9
Interest expense	608	606	568	1,042	998	5,871	1,402	130.6	0.3
Marketing, sales, promotion and advertising	4,160	4,963	5,611	10,101	9,982	3,895	3,265	-21.5	0.7
All other operating expenses	18,909	19,343	22,490	30,923	36,418	39,103	38,351	102.8	8.3
Profit ($'000)	25,965	32,235	25,296	4,970	-27,024	25,424	21,780	...	...
Profit as percentage of total revenue	10.8	12.2	8.0	1.4	-6.7	5.2	4.5	...	...

... not applicable

Source: Statistics Canada: Motion Picture Theatres Survey.

Table 4.10

Motion picture theatres and drive-ins employment and personnel expenses, Ontario

	1996/97	1997/98	1998/99	1999/00	2000/01	2002/03	2003/04	Percentage change
Total employees	3,684	4,015	4,948	6,274	9,876	7,060	6,816	85.0
Full-time	466	468	565	633	778	703	693	48.7
Part-time	3,218	3,547	4,383	5,641	9,098	6,357	6,123	90.3
Full-time (%)	12.6	11.7	11.4	10.1	7.9	10.0	10.2	...
Working proprietors and family workers	57	72	63	53	54	68	58	1.8
Total personnel expenses ($ 000)	40,154	40,509	48,119	57,187	61,522	61,897	60,195	49.9

... not applicable

Source: Statistics Canada, Motion Picture Theatres Survey.

Table 4.11

Percentage of individuals 15 years of age and older who participated in film-related activities within the past 12 months, Ontario

Activity	1992	1998	Percentage point change
Go to a movie	51	60	9
Watch a video on VCR	74	73	0
View video or listen to music on the Internet	..	5	..

.. not available for a specific reference period

Source: Statistics Canada, General Social Survey.

Table 4.12

Average annual household expenditures on film products and services, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
Rental of videotapes and video discs	90	89	98	99	96	93	93	86	-4.4
Movie theatres	61	78	83	101	118	112	127	123	101.6
Total culture goods and services	1,237	1,244	1,346	1,385	1,475	1,549	1,605	1,630	31.8
Total goods and services (before taxes)	41,677	43,105	44,824	46,004	48,956	50,349	53,669	54,076	29.7

Source: Statistics Canada, Survey of Household Expenditures.

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Table 4.13

Average hours of television viewing per week, by age group, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	Change
Total population	21.8	22.2	21.6	20.5	20.5	20.1	20.6	20.8	-1.0
Men									
18 years and older	21	21.1	20.6	19.6	20.3	19.8	20.0	19.2	-1.8
18 to 24 years	14.1	13.7	14.4	13.6	13.9	12.0	12.0	9.7	-4.4
25 to 34 years	18.1	18.1	18.0	16.6	17.6	15.8	16.1	15.2	-2.9
35 to 49 years	18.7	18.9	18.0	17.1	16.9	17.1	18.0	17.3	-1.4
50 to 59 years	22.1	21.7	22.5	21.3	20.5	21.8	21.1	20.1	-2.0
60 years and older	31.4	31.7	30.8	29.0	31.7	30.7	30.4	31.9	0.5
Women									
18 years and older	25	25.4	25.3	24.2	24.1	23.9	24.5	25.0	0.0
18 to 24 years	18.7	18.9	16.5	16.5	15.3	16.1	16.1	14.7	-4.0
25 to 34 years	22.2	21.6	22.4	19.2	20.0	19.3	20.7	21.8	-0.4
35 to 49 years	21.3	22.5	21.8	20.9	20.2	21.2	21.3	24.6	3.3
50 to 59 years	27.1	25.7	28.1	28.6	26.0	25.0	26.5	26.0	-1.1
60 years and older	34.5	35.3	34.7	33.2	34.8	33.5	33.8	30.8	-3.7
Teens									
12 to 17 years	17.2	17.9	15.8	15.3	13.2	12.8	13.8	17.3	0.1
Children									
2 to 11 years	17.6	18.6	16.7	14.8	14.8	13.8	14.5	13.9	-3.7

Source: Statistics Canada, Television Viewing Databank.

Table 4.14

Percentage distribution of television viewing time, by origin of programme and origin of station, Ontario 2+

	All television stations			Foreign stations	Canadian stations		
	Canadian programs	Foreign programs	Total	All programs	All programs	Canadian programs	Foreign programs
1996	28.5	71.5	100.0	25.2	74.8	28.1	46.7
1997	29.2	70.8	100.0	24.8	75.2	29.0	46.2
1998	27.5	72.5	100.0	26.3	73.7	27.3	46.4
1999	27.8	72.2	100.0	25.6	74.4	27.6	46.9
2000	30.1	69.9	100.0	25.4	74.6	29.8	44.8
2001	28.6	71.4	100.0	28.1	71.9	28.1	43.8
2002	29.4	70.6	100.0	24.1	75.9	29.1	46.8
2003	30.9	69.1	100.0	22.3	77.7	30.5	47.2
Percentage point change	2.4	-2.4	0.0	-2.9	2.9	2.4	0.5

Source: Statistics Canada, Television Viewing Databank.

Table 4.15

Percentage distribution of television viewing time by type of program, Ontario 2+

Type of program	1996	1997	1998	1999	2000	2001	2002	2003	Percentage point change
News and public affairs	22.0	22.1	20.5	20.4	21.4	22.7	22.3	26.2	4.2
Documentary	3.2	2.9	2.8	3.1	4.0	3.6	3.6	3.4	0.2
Instruction:									
Academic	1.3	1.7	1.7	2.5	2.4	2.8	3.7	3.2	1.9
Social/recreational	1.4	1.6	1.7	1.2	1.3	1.4	1.4	1.7	0.3
Religion	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.2	-0.1
Sports	9.7	8.6	9.2	9.6	9.7	9.7	9.0	7.9	-1.8
Variety and games	8.6	9.0	8.4	10.4	11.6	11.7	11.3	12.1	3.5
Music and dance	1.1	1.3	1.3	1.3	1.4	1.3	1.1	1.0	-0.1
Comedy	14.6	13.7	13.3	13.3	13.4	11.9	12.2	12.8	-1.8
Drama	28.1	28.8	28.9	29.2	27.6	28.2	27.9	25.0	-3.1
Other/unknown									
VCR	6.3	5.9	5.7	5.6	4.9	4.4	4.8	4.5	-1.8
Other	3.3	4.1	6.2	3.2	2.0	1.9	2.3	2.1	-1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	...

... not applicable

Source: Statistics Canada, Television Viewing Databank.

Table 4.16

Select labour force characteristics, motion picture and video industry, Ontario

	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Motion picture and video industry									
Number	14,794	12,323	18,519	15,972	19,467	24,272	22,727	20,530	38.8
Unemployed (%)	x	x	x	x	9.8	6.1	9.3	x	...
Class of worker									
Employee (%)	72.3	68.7	81.0	74.6	72.0	78.2	71.9	65.8	...
Self-employed (%)	27.7	31.3	19.0	25.4	28.0	21.4	28.1	33.8	...
Full-time/part-time status									
Full-time (%)	71.6	75.2	78.2	71.7	82.8	69.7	71.0	67.4	...
Part-time (%)	28.4	24.8	21.8	28.3	17.2	30.3	29.0	32.6	...
Total labour force									
Number	5,770,814	5,875,740	6,015,486	6,169,900	6,326,627	6,498,642	6,672,188	6,775,297	17.4
Unemployed (%)	8.4	7.2	6.4	5.8	6.3	7.1	7.0	6.8	...
Class of worker									
Employee (%)	84.7	84.6	84.7	85.0	85.7	86.0	85.8	85.8	...
Self-employed (%)	15.3	15.4	15.3	15.0	14.3	14.0	14.2	14.2	...
Full-time/part-time status									
Full-time (%)	80.8	81.3	82.0	82.0	82.1	81.7	81.5	81.9	...
Part-time (%)	19.2	18.7	18.0	18.0	17.9	18.3	18.5	18.1	...

... not applicable

x suppressed to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada, Labour Force Survey.

Table 4.17

Government expenditures on film and video, Ontario

	Level of government			Total gross expenditures	Share of total culture expenditures
	Federal	Provincial/ Territorial	Municipal*		
	($'000)	($'000)	($'000)	($'000)	%
Film and video					
1996/97	101,117	7,027	..	108,144	4.7
1997/98	112,227	9,426	..	121,653	5.4
1998/99	107,998	8,464	..	116,462	5.2
1999/00	112,177	10,269	..	122,446	5.2
2000/01	109,632	4,802	0	114,434	4.8
2000/02	116,655	4,792	0	121,447	4.6
2002/03	132,011	4,689	0	136,700	4.9
2003/04	129,526	6,338	0	135,864	4.6
Total expenditures					
1996/97	1,142,842	463,677	685,844	2,292,363	...
1997/98	1,131,132	446,168	674,290	2,251,590	...
1998/99	1,115,378	517,358	622,262	2,254,998	...
1999/00	1,129,011	565,615	678,817	2,373,443	...
2000/01	1,154,167	545,424	706,032	2,405,623	...
2000/02	1,260,574	551,120	826,204	2,637,898	...
2002/03	1,357,546	599,446	841,204	2,798,196	...
2003/04	1,463,715	628,228	877,569	2,969,512	...

.. not available for a specific reference period

... not applicable

* Municipal spending is on a calendar year basis.

Sources: Statistics Canada: Survey of Federal Government Expenditures on Culture; Survey of Provincial/Territorial Government Expenditures on Culture; Public Institutions Division and Culture, Tourism and the Centre for Education Statistics Division.

Table 4.18

Economic impact for motion picture and video industries, all culture industries and all industries, Ontario

	1996	1997	1998	1999	2000	2001	Change
Employment							
Motion picture and video industries	15,400	17,400	22,700	26,800	33,600	32,200	109.1
All culture industries	215,200	217,600	219,100	232,100	266,950	253,100	17.6
All industries	5,180,800	5,313,400	5,490,000	5,688,100	5,872,100	5,962,700	15.1
				($'000,000)			
GDP							
Motion picture and video industries	1,077	1,040	1,271	1,376	1,448	1,500	39.3
All culture industries	13,380	13,524	14,480	15,767	17,539	17,929	34.0
All industries	310,920	331,339	348,261	376,877	406,595	434,801	39.8

Sources: Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.

Table 4.19

Value of international trade in film and video goods, Ontario

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
					($'000)					
Imports										
Film and video										
Film	8,025	8,803	8,648	10,787	9,571	7,895	8,974	6,422	5,775	-28.0
Video	145,194	275,678	327,010	433,342	446,323	541,665	653,287	746,708	723,872	398.6
Total film and video	153,219	284,481	335,658	444,129	455,894	549,560	662,260	753,130	729,646	376.2
Total culture goods	2,264,113	2,661,115	2,841,491	2,913,952	2,930,708	3,043,502	3,222,590	3,360,244	3,248,767	43.5
Film and video share of total culture goods imports (%)	6.8	10.7	11.8	15.2	15.6	18.1	20.6	22.4	22.5	...
Exports										
Film and video										
Film	77,636	69,302	84,879	126,258	140,655	179,931	208,004	286,152	289,956	273.5
Video	78,954	51,534	66,719	76,704	99,846	164,104	195,563	208,013	226,088	186.4
Total film and video	156,589	120,836	151,598	202,961	240,502	344,036	403,566	494,165	516,044	229.6
Total culture goods	645,613	689,573	856,513	986,395	1,091,469	1,239,012	1,319,616	1,291,412	1,255,230	94.4
Film and video share of total culture goods exports (%)	24.3	17.5	17.7	20.6	22.0	27.8	30.6	38.3	41.1	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade - goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Table 4.20

Profile of privately-owned television industry, Ontario*

($'000 unless otherwise noted)	1996	1997	1998	1999	2000	2001	2002	2003	2004	Change
Operating revenue	657,652	706,821	763,637	820,289	814,377	833,825	834,667	929,367	913,148	38.8
Sales of air time	635,725	686,092	744,099	785,268	785,207	809,211	800,670	879,194	863,208	35.8
Local time sales	93,702	99,247	105,751	112,100	85,825	90,208	84,053	91,786	98,804	5.4
National and network time sales	534,188	581,512	634,298	668,193	693,174	712,561	708,265	779,847	756,738	41.7
National time sales	465,050	514,841	569,132	590,672	613,141	614,487	625,568	..	..	..
Network time sales	69,138	66,671	65,166	77,521	80,032	98,073	82,697	..	..	..
Infomercials	7,834	5,332	4,050	4,974	6,209	6,442	8,352	7,561	7,666	-2.1
Total production and other	21,927	20,790	24,538	35,012	29,170	24,614	33,997	50,173	49,941	127.8
Total expenses	604,850	626,245	706,821	699,261	728,839	719,553	722,582	772,740	826,975	36.7
Interest expense	42,887	37,652	43,557	52,782	57,491	24,864	24,513	31,902	33,797	-21.2
Operating expenses**	561,964	588,594	663,324	646,479	671,349	694,689	698,069	740,838	793,178	41.1
Program cost	386,278	408,033	462,284	440,490	462,777	482,186	476,913	520,592	567,083	46.8
Technical services	26,573	25,320	26,262	26,955	26,063	23,790	25,305	25,800	27,737	4.4
Sales and promotion	69,033	74,693	79,448	83,532	81,985	82,467	86,806	78,667	81,151	17.6
Administration and general	57,196	57,710	71,245	68,053	71,618	75,511	76,048	80,447	80,667	41.0
Depreciation	22,884	22,838	24,085	27,448	28,905	30,735	32,997	35,332	36,540	59.7
Net operating income	52,802	80,636	61,756	121,019	85,538	114,272	112,085	156,627	86,173	63.2
Net profit after other adjustments and before income taxes	50,134	78,056	59,992	119,507	80,010	70,381	90,059	132,094	48,265	-3.7
Net profit after income taxes	23,971	37,061	34,389	71,920	47,950	83,599	100,091	129,296	40,711	69.8
Salaries and other staff benefits	156,238	164,571	160,273	160,522	168,309	181,013	189,080	200,172	208,355	33.4
Number of employees (weekly average)	2,803	2,595	2,524	2,590	2,663	2,694	2,680	2,735	2,864	2.2
Net profit as percentage of operating revenue	7.6	11.0	7.8	14.6	9.8	8.4	10.8	14.2	5.3	...

.. not available for a specific reference period

... not applicable

* These statistics cover private commercial television broadcasters. They do not cover non-commercial television broadcasters or pay and specialty television operators.

** With the release of 2004 data, the operating expenses category has been redefined to exclude interest expenses. Data for previous years have been restated accordingly. The new definition is consistent with the standards set out in Statistics Canada's chart of accounts.

Source: Statistics Canada, Radio and Television Broadcasting Survey.

5. Conclusion

Ontario's culture industries accounted for 4.2% of employment and 4.1% of GDP in this province in 2001. All industries selected for analysis in this report exhibited both encouraging trends and signs of concern. It should be noted that data were available for different periods for each industry examined.

The publishing (books and periodicals) and film (production, post-production and distribution) industries in Ontario all experienced revenue growth in the post-1996 period examined. This was especially dramatic for the film industries in the late 1990s and early 2000s.

The growing strength of the film industry in Ontario was also demonstrated by its share of culture exports (41%). Although published works (books, periodicals and newspapers), dominated culture imports (56%), they lost share to film and video products from 1996 to 2004. Sound recordings and printed music constituted a small share of imports and exports.

Sound recording, on the other hand, experienced a drop in revenues from 1998 to 2003. Other indicators suggesting that the Ontario sound recording industry was in a downturn include a drop in full-time employees and in the salaries and benefits paid out. The industry profit as a percentage of total revenues also fell from 14.9% in 1998 to 2.3% in 2003.

The profit picture for other industries was mixed. Book publishing profits and margin were up in 2000/01 (the most current year of data available). Periodical publishing's profits and margin were stable from 1998/99 to 2003/04. The film industries were led by distribution which had a profit margin of 27.3% in 2003/04. This was much higher than any of the previous six years and higher than any other industry examined. Film production and post-production industries, however, saw profit margins decline in the most recent years studied. For film producers, profits as a percentage of total revenue were just 2.8% in 2001/02.

Demand or participation measures were also mixed. Earlier data from the GSS show that reading incidence, whether books, magazines or newspapers, all declined substantially, from 1992 to 1998. Although household expenditures on books and magazines increased over the study period, much of the increase could be accounted for by factoring in price increases and population change over the study period.

With respect to sound recording participation, fewer adult Ontarians listened to cassettes, CDs or records in 1998 than 1992. Meanwhile, average annual household expenditures on sound recording products (and videos and video discs) fell from $157 in 1996 to $126 in 2003. These expenditures are in current dollars and were not adjusted to account for price increases. Another demand-side measure, the hours of radio listening, was the same in 2004 as in 1996.

For the film industry, there were more adults who went to a movie in 1998 than in 1992, but a stable percentage of adults who watched a video on a VCR in these two years. This was reflected in household expenditures as spending on movie going doubled from 1996 to 2003, while video rentals fell by a small amount. Data from the Survey of Motion Picture Theatres reveals that the average ticket price rose 59% from 1996 to 2003. Hence much of the increased expenditures on movie-going can be explained by price increases.

Television viewing statistics are an important barometer of the appetite of the Ontario public for television programming. This is relevant to the television segment of the production industry, which constituted the bulk of earned revenues in 2001/02. The average hours of viewing for the Ontario population two and older was lower in 2003 than in 1996, but there were slight increases in recent years. This might be explained by the aging of the population, given that viewership rises with age.

Government expenditures on the literary arts (including publishing), sound recording and film and video in Ontario all rose over the 1996/97 to 2003/04 period. The recent increase for the literary arts (from $51.8 in 2002/03 to $85.9 million in 2003/04) was especially noteworthy. For some companies, without this government support their financial picture would be tenuous at best. Although the Ontario provincial government increased spending on these culture sectors from 2002/03 to 2003/04, the federal government still provided the bulk of support.

Economic impact data showed that employment grew for each of the broad written media, sound recording and music publishing and motion picture and video sectors from 1996 to 2001. This growth was especially strong for the latter. Each sector, however, experienced a downturn in employment from 2000 to 2001.

The written media sector led in GDP growth, followed by film and video. Sound recording and music publishing experienced a decline in GDP from 1996 to 2001. This reinforces previous findings that suggest that the sound recording industry did not perform as well as the film or publishing industries over the study period examined. It should be noted, however, that growth in GDP also slowed from 2000 to 2001 for the publishing and film sectors.

Possible reasons for the signs of decline in the sound recording industry include the increased competition among entertainment choices. For example, music can now be obtained from speciality music channels whether on conventional, satellite or digital television. Furthermore, the growth in popularity of music downloading on the Internet may have had an impact on the industry.

The recent slowdown experienced in the publishing and film and video sectors (excluding distribution) was part of a general trend towards smaller increases in GDP experienced by all Ontario industries since 1998. Furthermore, the publishing and film sectors have also faced some challenges in the early 2000s that may have had a financial impact. These include the introduction of split run magazines in Canada, the expansion of big-box book retailers in Canada and increased competition from other countries and provinces for the Hollywood film dollar.

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More recent data for each of the industries examined in this report, will become available in 2006. This will help readers determine whether the aforementioned trends are continuing, and to assess the impact of current conditions on Ontario's culture industries. This is especially important given that some of the industry data presented in this report give mixed signals.

Appendix A

Publishing

Book publishing and exclusive agency

Table A1

Profile of book publishing and exclusive agency in Canada

	1996-1997	1998-1999	2000-2001	Percentage change	Share 2000/01
Publishers	498	643	627	25.9	...
Exclusive agents	51	57	45	-11.8	...
Titles published *	11,356	14,439	15,744	38.6	100.0
Textbooks	2,398	2,995	3,246	35.4	20.6
Children's books	1,152	1,690	2,281	98.0	14.5
Tradebooks	4,906	6,175	6,728	37.1	42.7
Scholarly, reference and professional/technical	2,900	3,579	3,489	20.3	22.2
Titles reprinted *	7,607	10,262	12,053	58.4	100.0
Textbooks	3,896	5,150	6,560	68.4	54.4
Children's books	957	1,272	1,609	68.1	13.3
Tradebooks	1,885	2,745	2,752	46.0	22.8
Scholarly, reference and professional/technical	869	1,095	1,132	30.3	9.4
Total revenue ($'000)	2,012,232	2,208,463	2,416,045	20.1	100.0
Total sale of own and exclusive agency titles	1,941,491	2,112,116	2,282,863	17.6	94.5
Sale of rights	10,947	15,597	19,688	79.8	0.8
Sales of other industry-related goods and services	..	..	14,530	..	0.6
Grants	36,363	43,192	47,883	31.7	2.0
All other revenue	23,431	37,558	51,080	118.0	2.1
Sales in Canada ($'000)	1,536,044	1,685,691	1,814,696	18.1	...
Own titles ($'000)	672,511	736,799	961,526	43.0	100.0
Textbooks	244,734	274,334	395,040	61.4	41.1
Children's books	53,858	59,342	65,445	21.5	6.8
Tradebooks	171,717	202,493	232,219	35.2	24.2
Scholarly, reference and professional/technical	202,203	200,631	268,824	32.9	28.0
Exclusive agency ($'000)	863,533	949,892	853,169	-1.2	100.0
Textbooks	209,648	258,137	144,171	-31.2	16.9
Children's books	126,475	146,023	180,682	42.9	21.2
Tradebooks	430,014	463,855	412,913	-4.0	48.4
Scholarly, reference and professional/technical	97,396	81,877	115,403	18.5	13.5
Agency sales for a foreign publisher in Canada ($'000)	787,640	861,454	774,391	-1.7	...
Exports ($'000)	120,611	133,177	154,785	28.3	...
Other foreign sales ($'000)	284,645	292,081	313,411	10.1	...
Cost of sales ($'000)	1,022,923	1,132,802	1,230,309	20.3	...

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Table A1 – concluded

Profile of book publishing and exclusive agency in Canada

	1996-1997	1998-1999	2000-2001	Percentage change	Share 2000/01
Total operating expenses ($'000)	905,021	935,218	1,017,946	12.5	100.0
Editorial	41,752	41,530	48,812	16.9	4.8
Design and production	18,654	21,049	21,582	15.7	2.1
Fulfillment, warehousing and shipping	185,182	170,836	189,253	2.2	18.6
Marketing, sales, promotion and advertising	325,803	323,110	323,308	-0.8	31.8
Occupancy	36,840	38,335	49,721	35.0	4.9
Administrative	147,102	179,037	238,481	62.1	23.4
Depreciation and Amortization	18,044	21,384	27,740	53.7	2.7
Interest and bank charges	15,674	14,067	18,239	16.4	1.8
All other operating expenses	115,970	128,871	100,809	-13.1	9.9
Before-tax profit ($'000)	84,288	137,442	167,790	99.1	...
As a percentage of revenues	4.2	6.2	6.9	...	...
Percentage of firms with a profit	51	56.4	56.4	...	...

.. not available for a specific reference period

... not applicable

* Includes the activities of publishers only.

Source: Statistics Canada: Survey of Book Publishers and Exclusive Agents.

Table A2

Employment and salaries, Canada

	1996/97	1998/99	2000/01	Percentage change
Total employees	8,474	8,672	10,273	21.2
Full-time employees	7,233	7,374	8,635	19.4
Part-time employees	1241	1298	1638	32.0
Full-time (%)	85.4	85.0	84.1	37.7
Total personnel expenses ($'000)*	321,535	352,477	423,105	31.6

* Includes salaries of full and part-time staff as well as outside fees.

Source: Statistics Canada: Survey of Book Publishers and Exclusive Agents.

Table A3

Percentage of individuals 15 years of age and older who participated in book-related activities within the past 12 months, Canada

Activity	1992	1998	Percentage point change
Read a book	66	61	-5
Borrow library materials	34	25	-9

Source: Statistics Canada, General Social Survey.

Table A4

Average annual household spending on books and pamphlets, Canada (current $)

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
					$				
Books and pamphlets (excluding school books)	76	81	85	89	90	95	97	101	32.9
Total culture goods and services	1,152	1,181	1,244	1,289	1,327	1,401	1,446	1,467	27.3
Total goods and services (before taxes)	38,322	39,313	40,397	41,913	43,822	45,524	48,065	48,782	27.3

Source: Statistics Canada, Survey of Household Spending.

Table A5

International trade in books, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
						($'000)				
Imports										
Books	1,222,804	1,373,904	1,468,721	1,471,296	1,420,694	1,422,811	1,525,873	1,451,917	1,429,542	16.9
Total culture goods	3,134,235	3,629,754	3,904,243	3,984,699	4,052,373	4,212,031	4,415,529	4,535,178	4,434,723	41.5
Books share of total culture (%)	39.0	37.9	37.6	36.9	35.1	33.8	34.6	32.0	32.2	...
Exports										
Books	267,715	333,739	392,118	398,400	382,468	478,411	486,745	459,933	430,829	60.9
Total culture goods	1,254,453	1,377,138	1,672,567	1,894,917	2,103,277	2,286,876	2,458,042	2,465,578	2,404,685	91.7
Books share of total culture (%)	21.3	24.2	23.4	21.0	18.2	20.9	19.8	18.7	17.9	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade - goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Periodical publishing

Table A6

Profile of periodical publishing, Canada

	1996/97	1998/99	2003/04	Percentage change	Share 2003/04
Total number of periodicals	1,552	2,027	2,383	53.5	
Total revenues ($ 000)	1,042,812	1,268,437	1,553,156	48.9	100.0
Advertising	647,029	809,447	993,589	53.6	64.0
Single-copy sales	83,562	92,298	117,745	40.9	7.6
Subscription sales	247,126	286,994	291,330	17.9	18.8
Government grants	7,901	9,325	35,095	344.2	2.3
Web site/E-commerce	..	..	11,856	..	0.8
Ancillary products	..	..	37,708	..	2.4
Other revenues	57,194	70,372	65,874	15.2	4.2
Total expenses ($ 000)	959,410	1,139,573	1,401,904	44.6	100.0
Editorial and design	142,846	171,992	248,139	73.7	17.7
Production and printing	357,975	404,807	439,922	22.9	31.4
Fulfillment and invoicing	32,734	30,073	142,772	336.2	10.2
Marketing and promotion	93,179	108,787	188,377	102.2	13.4
Cost of sales of advertising	103,903	130,035	..	..	..
Distribution	69,456	82,956	119,353	71.8	8.5
Administration and general	169,316	210,923	216,495	27.9	15.4
Web site/E-commerce	..	..	15,045	..	1.1
Ancillary products	..	..	31,800	..	2.3
Profit before taxes ($'000)	73,403	128,864	151,293	106.1	...
Profit as percentage of total revenues	7	10.2	9.7	...	...
Percentage of periodicals with a profit	61.9	63.5	62.5	...	...
Total annual circulation ('000)	538,603	602,860	777,954	44.4	...
Circulation per periodical ('000)	347	297	326	-6.1	...
Circulation per issue	31,282	26,030	27,178	-13.1	...

.. not available for a specific reference period

... not applicable

Source: Statistics Canada, Periodical Publishing Survey.

Table A7

Employment and personnel expenses, Canada

	1996-1997	1998-1999	2003-2004	Percentage change
Total employees	6,917	8,264	9,489	37.2
Full-time employees	5,219	5,889	6,462	23.8
Part-time employees	1,698	2,375	3,027	78.3
Full-time (%)	75.5	71.3	68.1	
Volunteers and unpaid staff	4,514	5,298	5,260	16.5
Total personnel expenses ($'000)	240,729	298,913	411,715	71.0
Full-time	178,422	222,954	298,793	67.5
Part-time	17,355	20,391	39,743	129.0
Freelance fees	44,953	55,722	73,180	62.8

Source: Statistics Canada, Periodical Publishing Survey.

Table A8

Percentage of individuals 15 years of age and older who participated in periodical publishing-related activities within the past 12 months, Canada

Activity	1992	1998	Percentage point change
Read a newspaper	92	82	-10
Read a magazine	80	71	-9

Source: Statistics Canada, General Social Survey.

Table A9

Average annual household spending on magazines and periodicals, Canada (current $)

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
					$				
Magazines and periodicals	51	63	65	62	61	59	63	62	21.6
Total culture goods and services	1,152	1,181	1,244	1,289	1,327	1,401	1,446	1,467	27.3
Total goods and services (before taxes)	38,322	39,313	40,397	41,913	43,822	45,524	48,065	48,782	27.3

Source: Statistics Canada, Survey of Household Spending.

Table A10

International trade in newspapers and periodicals, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
						($'000)				
Imports										
Newspapers and periodicals	877,555	949,007	1,000,167	1,016,168	1,059,383	1,037,956	1,004,600	1,119,995	1,126,662	28.4
Total culture goods	3,134,235	3,629,754	3,904,243	3,984,699	4,052,373	4,212,031	4,415,529	4,535,178	4,434,723	41.5
Newspapers and periodicals share of total culture goods imports (%)	28.0	26.1	25.6	25.5	26.1	24.6	22.8	24.7	25.4	...
Exports										
Newspapers and periodicals	187,348	172,643	196,269	208,847	244,997	207,877	228,252	224,003	183,087	-2.3
Total culture goods	1,254,453	1,377,138	1,672,567	1,894,917	2,103,277	2,286,876	2,458,042	2,465,578	2,404,685	91.7
Newspapers and periodicals share of total culture goods exports (%)	14.9	12.5	11.7	11.0	11.6	9.1	9.3	9.1	7.6	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade – goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

All publishing

Table A11

Labour force characteristics, newspaper, book, periodical and directory publishing industries, Canada

	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Newspaper, book, periodical and directory publishing industries									
Number	87,530	78,879	78,535	86,039	81,714	77,722	86,577	80,777	-7.7
Unemployed (%)	4.9	5.1	5.3	2.7	4.8	5.0	4.1	3.8	...
Class of worker									
Employee (%)	91.4	91.7	93.3	94.7	92.2	95.0	93.2	93.6	...
Self-employed (%)	8.6	8.3	6.7	5.3	7.8	5.0	6.8	6.4	...
Full-time/part-time status									
Full-time (%)	74.4	73.4	76.5	74.1	73.1	70.3	75.4	78.0	...
Part-time (%)	25.6	26.6	23.5	25.9	26.9	29.7	24.6	22.0	...
Total labour force									
Number	15,058,490	15,296,779	15,575,012	15,842,125	16,110,770	16,580,094	16,953,978	17,183,430	14.1
Unemployed (%)	9.2	8.4	7.6	6.8	7.2	7.7	7.6	7.2	...
Class of worker									
Employee (%)	83.6	83.7	83.8	84.6	85.5	85.6	85.5	85.3	...
Self-employed (%)	16.2	16.3	16.2	15.4	14.5	14.4	14.5	14.7	...
Full-time/part-time status									
Full-time (%)	80.9	81.2	81.6	81.9	81.9	81.2	81.1	81.5	...
Part-time (%)	19.1	18.8	18.4	18.1	18.1	18.8	18.9	18.5	...

... not applicable

Source: Statistics Canada, Labour Force Survey.

Table A12

Government expenditures on the literary arts, Canada

Function	Level of government			Total gross expenditures	Share of total culture expenditures
	Federal	Provincial/ Territorial	Municipal*		
	($'000)	($'000)	($'000)	($'000)	%
Literary arts					
1996/97	126,354	16,902	..	143,256	2.4
1997/98	133,305	17,321	..	150,626	2.5
1998/99	123,486	18,719	..	142,205	2.3
1999/00	129,158	19,084	..	148,242	2.4
2000/01	160,038	20,610	0	180,648	2.7
2000/02	174,679	20,738	0	195,417	2.8
2002/03	183,357	20,519	0	203,876	2.8
2003/04	162,144	19,396	0	181,540	2.4
Total expenditures					
1996/97	2,764,120	1,777,912	1,525,824	6,067,856	...
1997/98	2,660,880	1,737,412	1,561,913	5,960,205	...
1998/99	2,817,086	1,888,791	1,447,959	6,153,836	...
1999/00	2,809,375	1,958,063	1,535,591	6,303,029	...
2000/01	2,954,794	2,078,613	1,660,319	6,693,725	...
2000/02	3,216,926	2,069,215	1,813,556	7,099,698	...
2002/03	3,425,692	2,108,925	1,873,813	7,408,429	...
2003/04	3,499,568	2,200,067	2,007,040	7,706,675	...

.. not available for a specific reference period

... not applicable

* Municipal spending is on a calendar year basis.

Sources: Statistics Canada: Survey of Federal Government Expenditures on Culture; Survey of Provincial/Territorial Government Expenditures on Culture; Public Institutions Division and Culture, Tourism and the Centre for Education Statistics Division.

Table A13

Economic impact (GDP and employment) of written media industries, Canada

	1996	1997	1998	1999	2000	2001	Percentage change
Employment							
Written media	156,000	160,000	150,600	151,200	168,000	165,500	6.1
All culture industries	517,800	513,100	537,300	554,400	604,900	611,000	18.0
All industries	13,462,600	13,744,400	14,140,400	14,531,200	14,909,700	15,076,800	12.0
				($'000,000)			
GDP							
Written media	11,787	12,619	13,328	13,843	15,576	16,745	42.1
All culture industries	29,233	30,441	32,375	33,953	37,489	38,486	31.7
All industries	774,404	816,763	840,473	903,750	995,219	1,022,055	32.0

Sources: Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.

Appendix B

Sound recording

Table B1

Profile of sound recording, Canada

	1998	2000	2003	Percentage change	Share 2003
Number of companies	280	331	300	7.1	...
Number of new releases	6,728	6,654	5,619	-16.5	...
By Canadian artists	1,023	1,034	904	**-11.6**	...
Other	5,705	5,620	4,715	**-17.4**	...
Canadian artists share of releases (%)	15.2	15.5	16.1		
Total revenue ($ '000)	1,323,880	1,319,264	1,153,205	-12.9	...
Total revenue from industry-related activities	1,137,758	1,193,423	985,430	-13.4	100.0
Sales of recordings-Canadian artists	154,048	137,969	110,366	-28.4	11.2
Other sales of recordings	737,598	723,433	598,357	-18.9	60.7
Other revenue from industry-related activities	246,112	332,022	276,706	12.4	28.1
Distribution for others	32,830	62,678	44,143	34.5	...
Sales of music videos	19,332	20,114	51,602	166.9	...
Sales of imported finished goods	59,745	63,719	71,089	19.0	...
Sales of masters, leasing and licensing fees	50,138	39,952	31,501	-37.2	...
Publishing royalties	20,159	17,045	19,355	-4.0	...
Sundry income from record-industry related *	64,269	128,512	56,471	-12.1	...
Neighbouring rights royalties	..	..	2,545	..	...
Grants	3,506	3,443	7,866	124.4	...
Revenue from non industry-related activities	182,616	122,398	159,909	-12.4	...
Canadian artists share of revenues (%)	17.3	16.0	15.6		
Total expenses ($ '000)	1,134,042	1,161,698	1,122,662	-1.0	100.0
Cost of goods sold	638,465	578,605	530,249	-16.9	47.2
Interest	4,186	76,792	73,306	1651.3	6.5
Depreciation	10,907	15,602	19,684	80.5	1.8
Marketing, sales and promotion	251,366	230,853	238,978	-4.9	21.3
Other operating expenses	229,118	259,847	260,445	13.7	23.2
Profit before taxes ($'000)	189,838	157,566	30,543	-83.9	...
Profit as percentage of total revenue	14.3	11.9	2.6	...	...

.. not available for a specific reference period

... not applicable

* Includes revenue from artist management.

Source: Statistics Canada: Sound Recording Survey.

Table B2

Employment and personnel expenses, Canada

	1998	2000	2003	Percentage change
Total employees	2,957	2,750	2,431	-17.8
Full-time	2,711	2,591	2,281	-15.9
Part-time	246	159	150	-39.0
Full-time (%)	91.7	94.2	93.8	
Freelancers	420	555	647	54.0
Total personnel expenses ($'000)	149,829	167,648	153,471	2.4

Source: Statistics Canada, Sound Recording Survey.

Table B3

Percentage of individuals 15 years of age and older who participated in sound recording and music-related activities within the past 12 months, Canada

Activity	1992	1998	Percentage point change
Listen to cassettes, CDs, records	81	77	-4
View video or listen to music on the Internet	..	5	..
Attend a popular musical performance	24	20	-4
Attend a symphonic or classical performance	12	8	-4
Attend an opera	4	3	-1
Attend a choral music performance	3	7	3
Play a musical instrument	17	17	0

.. not available for a specific reference period

Source: Statistics Canada, General Social Survey.

Table B4

Average annual household spending on compact discs, tapes, videos and video discs, Canada (current $)

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
Compact discs, tapes, videos, and video discs	146	121	125	126	114	141	116	118	-19.2
Total culture goods and services	1,152	1,181	1,244	1,289	1,327	1,401	1,446	1,467	27.3
Total goods and services (before taxes)	38,322	39,313	40,397	41,913	43,822	45,524	48,065	48,782	27.3

Source: Statistics Canada, Survey of Household Spending.

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Table B5

Average hours of radio listening per week, by age group, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Change
Total population	19.5	19.9	20.4	20.5	20.3	20.1	20.2	19.5	19.5	0.0
Men:										
18 years and older	20.9	20.9	21.3	21.3	21.2	21.1	21.3	20.9	20.8	-0.1
18 to 24 years	16.0	17.1	17.8	16.8	17.1	16.5	16.1	16.0	15.5	-0.5
25 to 34 years	21.0	22.2	22.1	22.3	21.5	21.4	21.4	21.0	20.7	-0.3
35 to 49 years	22.3	21.9	21.6	22.1	22.2	22.2	22.6	22.3	22.2	-0.1
50 to 64 years	21.6	21.5	22	21.6	21.9	21.7	22.3	21.6	21.7	0.1
65 years and older	20.7	20.6	21.8	21.2	20.9	20.8	21.3	20.7	20.8	0.1
Women:										
18 years and older	20.4	20.9	21.4	21.6	21.5	21.2	21.2	20.4	20.5	0.1
18 to 24 years	16.7	17.5	18.2	17.9	19.2	18.0	17.3	16.7	15.9	-0.8
25 to 34 years	17.6	19.7	19.4	20.2	19.6	19.6	18.8	17.6	17.9	0.3
35 to 49 years	20.4	21.0	21	21.2	21.5	20.9	20.9	20.4	20.8	0.4
50 to 64 years	22.1	21.0	21.3	23.5	22.9	22.8	23.2	22.1	22.1	0.0
65 years and older	23.5	20.7	22.6	23.8	23.6	23.5	23.9	23.5	23.6	0.1
Teens:										
12 to 17 years	8.5	10.7	11	11.3	10.5	10.1	9.4	8.5	8.5	0.0

Source: Statistics Canada, Radio Listening Databank.

Table B6

Percentage share of radio listening hours by station format, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage point change
Adult contemporary/ golden oldies/rock	38.1	38.7	37.4	34.9	38.6	39.4	43	42.8	39.9	1.8
Album-oriented rock	4.1	4.1	4.1	6.0	7.8	3.1	1.5	2.5	5.6	1.5
Canadian Broadcasting Corporation	9.5	9.3	9.5	9.7	10.4	10.9	10.8	10.9	11.1	1.6
Contemporary	6.4	6.7	10.2	11.2	7.5	9.4	8.7	7.9	8.5	2.1
Country	14.5	13.4	13.0	12.0	11.2	10.1	9.5	9.7	10.0	-4.5
Dance	1.4	1.7	0.0	0	1.3	0.6	1.4	1.8	0.6	-0.8
Easy listening	2.2	2.2	1.9	2.5	2.2	0.4	2.6	2.9	2.3	0.1
Middle-of-the-road	2.6	2.1	2.5	2.1	1.4	3.1	3.2	2.7	3.1	0.5
Other	4.7	5.1	6.5	7.1	5.4	6.2	5.7	4.4	4.6	-0.1
Sports	0	0	0	0.1	0.6	2.5	0.8	0.9	0.8	0.8
Talk	13.2	13.2	11.5	11.1	10.3	11.4	9.6	10.6	10.6	-2.6
U.S. stations	3.3	3.5	3.4	3.4	3.3	3.1	3.0	3.0	3.1	-0.2
Total listening	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	...

... not applicable

Source: Statistics Canada, Radio Listening Databank.

Table B7

Labour force characteristics, sound recording industries, Canada

	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Sound recording industries									
Number	3,839	3,834	4,887	5,848	5,547	1,851	4,964	5,625	46.5
Unemployed (%)	8.2	2.1	8.1	10.6	4.6	2.1	3.5	2.3	...
Class of worker									
Employee (%)	48.0	x	70.1	51.1	x	x	51.5	45.2	...
Self-employed (%)	52.0	x	29.9	48.9	x	x	48.5	54.8	...
Full-time/part-time status									
Full-time (%)	x	x	x	x	x	x	x	x	...
Part-time (%)	x	x	x	x	x	x	x	x	...
Total labour force									
Number	15,058,490	15,296,779	15,575,012	15,842,125	16,110,770	16,580,094	16,953,978	17,183,430	14.1
Unemployed (%)	9.2	8.4	7.6	6.8	7.2	7.7	7.6	7.2	...
Class of worker									
Employee (%)	83.8	83.7	83.8	84.6	85.5	85.6	85.5	85.3	...
Self-employed (%)	16.2	16.3	16.2	15.4	14.5	14.4	14.5	14.7	...
Full-time/part-time status									
Full-time (%)	80.9	81.2	81.6	81.9	81.9	81.2	81.1	81.5	...
Part-time (%)	19.1	18.8	18.4	18.1	18.1	18.8	18.9	18.5	...

... not applicable

x suppressed to meet the confidentiality requirements of the *Statistics Act*

Source: Statistics Canada, Labour Force Survey.

Table B8

Government expenditures on sound recording, Canada

Function	Level of government			Total gross expenditures	Share of total culture expenditures
	Federal	Provincial/ Territorial	Municipal*		
	($'000)	($'000)	($'000)	($'000)	%
Sound recording					
1996/97	5,103	3,977	..	9,080	0.1
1997/98	9,513	4,754	..	14,267	0.2
1998/99	9,279	6,780	..	16,059	0.3
1999/00	9,777	8,251	..	18,028	0.3
2000/01	10,210	8,582	0	18,792	0.3
2000/02	18,606	7,318	0	25,924	0.4
2002/03	22,977	10,783	0	33,760	0.5
2003/04	28,507	6,898	0	35,405	0.5
Total expenditures					
1996/97	2,764,120	1,777,912	1,525,824	6,067,856	...
1997/98	2,660,880	1,737,412	1,561,913	5,960,205	...
1998/99	2,817,086	1,888,791	1,447,959	6,153,836	...
1999/00	2,809,375	1,958,063	1,535,591	6,303,029	...
2000/01	2,954,794	2,078,613	1,660,319	6,693,725	...
2000/02	3,216,926	2,069,215	1,813,556	7,099,698	...
2002/03	3,425,692	2,108,925	1,873,813	7,408,429	...
2003/04	3,499,568	2,200,067	2,007,040	7,706,675	...

.. not available for a specific reference period

... not applicable

* Municipal spending is on a calendar year basis.

Sources: Statistics Canada: Survey of Federal Government Expenditures on Culture; Survey of Provincial/Territorial Government Expenditures on Culture; Public Institutions Division and Culture, Tourism and the Centre for Education Statistics Division.

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Table B9

Economic impact (GDP and employment) of the sound recording industry, Canada

	1996	1997	1998	1999	2000	2001	Percentage change
Employment							
Sound recording and music publishing	16,100	18,000	21,100	17,400	15,200	17,200	6.8
All culture industries	517,800	513,100	537,300	554,400	604,900	611,000	18.0
All industries	13,462,600	13,744,400	14,140,400	14,531,200	14,909,700	15,076,800	12.0
				($'000,000)			
GDP							
Sound recording and music publishing	931	1,043	1,124	776	852	807	-13.3
All culture industries	29,233	30,441	32,375	33,953	37,489	38,486	31.7
All industries	774,404	816,763	840,473	903,750	995,219	1,022,055	32.0

Sources: Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.

Table B10

International trade in sound recording goods, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
					($'000)					
Imports										
Sound recording and music publishing										
Sound recordings	62,585	89,286	128,057	135,164	120,296	120,692	123,619	127,009	136,282	117.8
Printed music	12,767	14,411	16,747	15,944	16,913	16,639	17,198	15,812	15,429	20.9
Total sound recording and music publishing	75,352	103,697	144,803	151,108	137,209	137,331	140,817	142,821	151,711	101.3
Total culture goods	3,134,235	3,629,754	3,904,243	3,984,699	4,052,373	4,212,031	4,415,529	4,535,178	4,434,723	...
Sound recording and music publishing share of total culture goods imports (%)	2.4	2.9	3.7	3.8	3.4	3.3	3.2	3.1	3.4	...
Exports										
Sound recording and music publishing										
Sound recordings	110,726	90,701	140,721	165,388	144,185	176,238	152,783	154,879	144,960	30.9
Printed music	222	912	25	263	339	463	387	189	112	-49.5
Total sound recording and music publishing	110,948	91,613	140,746	165,651	144,525	176,701	153,169	155,069	145,072	30.8
Total culture goods	1,254,453	1,377,138	1,672,567	1,894,917	2,103,277	2,286,876	2,458,042	2,465,578	2,404,685	91.7
Sound recording and music publishing share of total culture goods exports (%)	8.8	6.7	8.4	8.7	6.9	7.7	6.2	6.3	6.0	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade – goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Private radio broadcasting

Table B11

Profile of privately-owned radio industry, Canada*

($'000 unless otherwise noted)	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Operating revenue	810,542	871,106	941,710	979,220	1,030,236	1,076,695	1,110,407	1,207,250	1,247,031	53.9
Sales of air time	792,019	848,514	920,954	954,521	1,003,275	1,051,267	1,083,433	1,174,960	1,213,991	53.3
Local time sales	604,576	646,001	689,228	717,991	772,409	813,524	847,561	902,897	942,539	55.9
National and network time sales	187,443	202,513	231,726	236,530	230,866	237,743	235,872	272,063	271,452	44.8
National time sales	185,664	200,876	229,793	234,635	229,650	..	..	..	..	..
Network time sales	1,779	1,637	1,933	1,895	1,216	..	..	..	..	..
Total production and other revenue	18,523	22,593	20,756	24,699	26,961	25,428	26,974	32,289	33,041	78.4
Total expenses	790,636	812,806	861,145	890,066	909,136	963,340	975,763	1,022,399	1,058,566	33.9
Interest expense	37,383	29,698	47,186	58,287	45,558	58,935	38,532	42,419	34,607	-7.4
Operating expenses**	753,254	783,107	813,960	831,779	863,578	904,405	937,231	979,980	1,023,959	35.9
Program cost	258,067	262,153	268,996	278,606	295,180	307,473	319,081	332,691	338,018	31.0
Technical services	33,086	32,669	34,341	34,406	35,028	36,697	36,067	37,200	38,397	16.1
Sales and promotion	221,880	232,700	248,647	253,584	258,374	270,423	275,682	301,434	319,745	44.1
Administration and general	211,139	225,907	229,592	232,243	238,673	249,150	268,190	267,835	287,844	36.3
Depreciation	29,082	29,678	32,384	32,939	36,323	40,662	38,210	40,821	39,955	37.4
Net operating income before other adjustments	19,906	58,301	80,565	89,154	121,100	113,355	134,644	184,850	188,465	...
Net profit before income taxes	6,637	68,355	92,055	87,452	111,051	96,513	159,646	206,490	204,927	...
Net profit (loss) after income taxes	-3,091	48,430	57,381	52,351	64,224	62,477	118,211	153,460	153,710	...
Salaries and other staff benefits	385,943	394,123	413,172	422,311	446,341	467,994	485,377	509,810	535,044	38.6
Number of employees (weekly average)	8,617	8,557	8,650	8,727	8,811	9,233	8,933	9,073	9,201	6.8
Profit/loss as percentage of operating revenues	0.8	7.8	9.8	8.9	10.8	9.0	14.4	17.1	16.4	...

.. not available for a specific reference period

... not applicable

* These statistics cover private commercial radio broadcasters. They do not cover non-commercial radio broadcasters.

** With the release of 2004 data, the operating expenses category has been redefined to exclude interest expenses. Data for previous years have been restated accordingly. The new definition is consistent with the standards set out in Statistics Canada's chart of accounts.

Source: Radio and Television Broadcasting Survey.

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Appendix C

Film, video and audio-visual

Film, video and audio-visual production

Table C1

Profile of film, video and audio-visual production, Canada

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Percentage change*	Share of 2001/02
Number of producers	625	702	637	733	717	728	16.5	
Number of productions*	x	x	x	14,811	12,288	13,600	-8.2	100.0
Theatrical features	54	45	58	42	21	30	-28.6	0.2
Television productions *	x	x	x	10,075	7,180	7,716	-23.4	56.7
under 30 minutes	x	x	x	3,104	1,291	1,746	-43.8	x
30 to 74 minutes	x	x	x	6,081	5,616	5,460	-10.2	x
75 minutes or more	x	x	x	890	273	510	-42.7	x
TV commercials	2,442	3,201	2,268	2,059	2,865	2,851	38.5	21.0
Music videos	48	123	204	202	218	222	9.9	1.6
Corporate videos	2,129	1,847	1,719	1,483	1,287	1,329	-10.4	9.8
Home videos **	169	519	285	..	..	..	..	..
Educational productions	170	122	189	166	122	119	-28.3	0.9
Other **	841	599	1,032	784	595	1,333	70.0	9.8
Production revenue by type ($'000)***	956,952	1,135,321	1,273,948	1,560,545	1,488,218	1,673,467	21.6	100.0
Movies for theatrical release	83,931	64,564	64,901	65,113	60,961	75,429	-10.1	4.5
Television	435,950	504,815	770,770	1,019,400	955,949	1,109,264	154.4	66.3
Advertising	153,761	173,861	197,003	162,554	190,220	170,715	11.0	10.2
Government	66,948	89,139	67,741	95,817	77,572	108,001	61.3	6.5
Educational	3,593	2,397	3,994	4,099	4,388	1,775	-50.6	0.1
Industry	50,220	41,872	42,331	44,680	59,604	57,212	13.9	3.4
Other	172,549	258,673	127,208	168,885	119,523	151,071	-12.4	9.0
Non-production revenue ($'000)	316,187	346,889	615,743	785,242	871,033	912,048	186.6	100.0
Rental of production facilities	40,069	42,911	64,759	73,519	111,251	107,386	168.0	11.8
Post-production services	13,372	9,478	21,141	37,616	38,626	39,970	198.9	4.4
Distribution of other producers' products	133,171	155,865	211,750	245,778	278,066	299,602	125.0	32.8
Other operating revenue	107,443	101,794	122,226	170,203	198,161	212,793	98.1	23.3
Non-repayable financial aid	16,328	32,030	140,714	165,332	190,163	195,212	1095.6	21.4
Dividends	557	553	1,207	174	447	644	15.6	0.1
Other	7,247	4,258	53,946	92,620	54,319	56,441	678.8	6.2
Total revenue ($'000)	1,285,139	1,482,209	1,889,690	2,345,787	2,359,251	2,585,515	101.2	..
Exports ($'000)	361,516	434,333	466,525	671,766	581,611	662,075	83.1	..
Total operating expenses ($'000)	1,207,195	1,380,440	1,763,021	2,235,166	2,264,977	2,554,587	111.6	100.0
Salaries and wages	174,523	181,592	213,396	265,175	273,325	305,681	75.2	12.0
Employee benefits	14,241	16,103	19,182	22,266	27,331	31,811	123.4	1.2
Freelancers' fees	95,913	127,431	215,590	248,599	247,403	258,508	169.5	10.1
Depreciation and amortization	178,182	49,039	108,595	133,829	98,251	105,562	-40.8	4.1
Interest expense	15,340	11,687	49,419	63,383	96,195	130,752	752.4	5.1
All other operating expenses	728,997	994,588	1,156,830	1,501,914	1,522,473	1,722,273	136.3	67.4

Table C1 – concluded

Profile of film, video and audio-visual production, Canada

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Percentage change*	Share of 2001/02
Profit ($ 000)	77,944	101,769	126,669	110,621	74,274	30,928	...	...
Profit as percentage of total revenue	6.1	6.9	6.7	4.7	3.2	1.2	...	...

.. not available for a specific reference period

... not applicable

x suppressed to meet the confidentiality requirements of the *Statistics Act*

* Data for Number of television productions for 1997/98 and 1998/99 are suppressed due to an error in data collection. Hence, the Percent Change for Number of Productions is calculated from 1999/2000 to 2001/02.

** In the 1999/2000 survey, 'home video' was removed from the type of production categories due to low reporting. The type of productions previously reported under this category are now included in the category 'Other'.

*** The categories under Production revenue (by type) are not the same as in previous data releases.

Source: Film, Video and Audio-visual Production Survey.

Table C2

Share of total film production revenue by type of client, Canada

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
Movies for theatrical release	8.7	5.7	5.1	4.2	4.2	4.5
Television	45.1	44.5	60.5	65.3	65.1	66.3
Advertising	15.9	15.3	15.5	10.4	13.0	10.2
Government	6.9	7.9	5.3	6.1	5.3	6.5
Educational	0.4	0.2	0.3	0.3	0.3	0.1
Industry	5.2	3.7	3.3	2.9	4.1	3.4
Other	17.8	22.8	10.0	10.8	8.1	9.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Film, Video and Audio-Visual Production Survey.

Table C3

Employment and personnel expenses, Canada

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	Percentage change
Total employees	6,197	7,731	9,953	9,950	11,054	11,169	80.2
Full-time	3,711	4,098	5,267	5,941	5,641	6,111	64.7
Part-time	2,486	3,633	4,686	4,009	5,413	5,058	103.5
Full-time (%)	59.9	53.0	52.9	59.7	51.0	54.7	
Freelancers	12,465	13,528	20,694	22,963	25,558	26,011	108.7
Working proprietors	80	91	75	64	57	54	-32.5
Total personnel expenses ($ 000)	284,677	325,126	448,168	536,040	548,059	596,000	109.4
Salaries and wages	174,523	181,592	213,396	265,175	273,325	305,681	75.2
Benefits	14,241	16,103	19,182	22,266	27,331	31,811	123.4
Freelancers fees	95,913	127,431	215,590	248,599	247,403	258,508	169.5

Source: Film, Video and Audio-Visual Production Survey.

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Film, video and audio-visual post-production

Table C4

Profile of film, video and audio-visual post-production, Canada

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Percentage change	Share of 2001/02
Number of firms	195	227	229	278	275	274	40.5	...
Total revenue ($'000)	515,838	607,326	724,430	873,697	894,624	919,736	78.3	...
Operating revenue ($'000)	507,398	597,584	721,189	869	876,320	915,338	80.4	100.0
Film printing	16,734	19,326	84,199	124,989	144,402	140,519	739.7	8.2
Film processing	139,215	149,975	86,393	120,083	131,423	127,665	-8.3	7.4
Editing	43,997	54,395	67,977	82,754	85,834	91,294	107.5	5.3
Film/video transfers	18,862	18,215	31,800	35,305	38,036	38,492	104.1	2.2
Duplication, transcoding	113,727	199,887	105,903	189,523	140,376	184,997	62.7	10.7
Dubbing, subtitling	56,460	14,277	13,672	19,379	21,618	22,819	-59.6	1.3
Animation	..	..	..	..	47,878	52,314	..	3.0
Audio post-production	..	..	..	..	26,553	30,408	..	1.8
Other production and post-production	86,430	110,292	213,716	178,031	117,637	107,558	24.4	6.2
All other operating	31,972	31,218	117,529	118,973	122,564	119,271	273.0	6.9
Operating expenses ($'000)	422,116	515,987	603,948	713,353	788,816	848,456	101.0	100.0
Salaries and wages	100,381	127,128	180,105	197,436	205,010	228,078	127.2	26.9
Employee benefits	19,319	11,895	18,364	22,726	25,233	28,024	45.1	3.3
Freelancers' fees	12,765	15,115	15,073	21,646	22,492	22,438	75.8	2.6
Depreciation and amortization	29,347	33,780	46,528	65,001	75,525	81,973	179.3	9.7
Interest expense	17,143	14,184	17,157	15,383	38,334	23,800	38.8	2.8
All other operating expenses	243,162	313,885	326,721	391,161	422,224	464,144	90.9	54.7
Profit ($'000)	93,722	91,339	120,482	160,344	105,808	71,280	...	...
Profit as percentage of total revenue	18.2	15.0	16.6	18.4	11.8	7.8	...	...

.. not available for a specific reference period

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Post-Production Survey.

Table C5

Employment and personnel expenses, Canada

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	Percentage change
Total employees	3,745	4,948	5,475	6,936	6,821	7,201	92.3
Full-time	2,657	3,373	4,177	4,964	4,740	4,862	83.0
Part-time	454	371	331	383	475	760	67.4
Full-time (%)	70.9	68.2	76.3	71.6	69.5	67.5	...
Freelancers	614	1,175	940	1,541	1,559	1,532	149.5
Working proprietors	20	29	27	48	47	47	135.0
Total personnel expenses ($'000)							
Salaries and wages	100,381	127,128	180,105	197,436	205,010	228,078	127.2
Benefits	19,319	11,895	18,364	22,726	25,233	28,024	45.1
Freelancers	12,765	15,115	15,073	21,646	22,492	22,438	75.8
Total	132,465	154,138	213,542	241,808	252,735	278,540	110.3

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Post-Production Survey.

Film distribution

Table C6

Profile of film, video and audio-visual distribution, Canada

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	Percentage change	Share of 2003/04
Number of firms	178	199	205	216	217	211	215	20.8	100.0
Both distributing and wholesaling	19	24	27	29	35	34	30	57.9	14.0
Film and video distribution only	119	135	136	143	135	132	139	16.8	64.7
Videocassette wholesaling only	40	40	42	44	47	45	46	15.0	21.4
Total revenue ($'000)	1,820,769	2,250,974	2,487,455	2,813,116	3,036,646	3,278,386	3,437,629	88.8	100.0
Distribution titles	950,845	1,064,712	1,152,939	1,293,115	1,416,325	1,551,737	1,515,513	59.4	44.1
Wholesaling videocassettes	812,226	1,110,938	1,252,053	1,399,383	1,508,251	1,607,954	1,816,057	123.6	52.8
Other operating revenue	44,872	50,626	51,680	89,778	85,357	99,389	71,614	59.6	2.1
Non operating revenue	12,816	24,698	30,783	30,840	26,713	19,306	34,445	168.8	1.0
Total expenses ($'000)	1,485,899	1,921,495	2,215,968	2,465,884	2,707,572	2,837,886	2,687,072	80.8	100.0
Salaries and wages	77,848	101,939	122,988	131,059	156,330	132,638	136,054	74.8	5.1
Benefits	5,681	10,453	12,599	13,518	15,675	14,927	17,150	201.9	0.6
Fees paid to contract workers	..	1,865	3,836	4,848	7,234	7,730	6,037	..	0.2
Licensing costs	539,585	694,448	791,339	806,685	856,954	965,709	838,787	55.5	31.2
Duplication, dubbing, sub-titling	92,077	162,050	182,723	201,171	198,862	202,383	225,233	144.6	8.4
Advertising and promotion	139,803	199,459	234,488	347,189	384,850	394,062	422,481	202.2	15.7
Videocassette and DVD wholesaling – cost of good sold	508,820	586,502	640,268	660,721	776,837	724,629	745,070	46.4	27.7
Depreciation and amortization	12,143	22,404	39,071	48,765	56,511	66,484	36,512	200.7	1.4
Interest expenses	5,971	12,239	14,090	15,381	18,314	20,170	14,949	150.4	0.6
All other distribution and operating	103,961	130,135	174,566	236,546	236,005	309,155	244,800	135.5	9.1
Profit ($'000)	334,870	329,479	271,487	347,232	329,074	440,500	750,557	124.1	...
Profit as a percentage of total revenue	18.4	14.6	10.9	12.3	10.8	13.4	21.8	...	...

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey.

Table C7

Film distribution by primary market, Canada

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	Percentage change	Share of 2003/04
Distribution ($'000)	950,845	1,064,712	1,152,939	1,293,115	1,416,325	1,551,737	1,515,513	59.4	...
Revenue from foreign clients	132,071	185,526	187,365	222,256	204,664	259,030	320,975	143.0	...
Domestic distribution	818,774	879,186	965,574	1,070,860	1,211,661	1,292,707	1,194,539	45.9	100.0
Theatrical	276,711	317,937	360,475	390,584	403,066	462,583	382,666	38.3	32.0
Pay TV	59,812	56,906	68,683	81,212	110,528	112,340	105,633	76.6	8.8
Conventional TV	340,061	359,118	369,326	409,576	465,504	471,317	433,576	27.5	36.3
Home video	125,108	129,487	147,600	165,746	212,966	227,018	244,916	95.8	20.5
Non-theatrical	17,082	15,739	19,490	23,742	19,598	19,449	27,749	62.4	2.3

... not applicable

Source: Statistics Canada, Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey.

Table C8

Employment and personnel expenses, Canada

	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Percentage change
Total employees	2,330	2,954	3,520	3,592	3,900	4,033	3,972	70.5
Full-time	2,086	2,643	3,203	3,045	3,551	3,699	3,468	66.3
Part-time	232	315	400	518	335	320	490	111.2
Full-time (%)	89.5	89.2	88.5	84.8	91.1	91.7	87.3	...
Working proprietors	12	6	17	29	14	14	14	...
Total personnel expenses ($000)*	83,528	112,392	135,586	144,578	172,005	147,565	153,203	83.4

* Includes salaries of full and part-time staff as well as outside fees.

Source: Statistics Canada, Film, Video and Audio-Visual Distribution and Videocassette Wholesaling Survey.

Motion picture theatres

Table C9

Profile of motion picture theatres, Canada

	1996/97	1997/98	1998/99	1999/00	2000/01	2002/03	2003/04	Percentage change	Share of 2003/04
Number of theatres	656	685	687	712	744	645	628	-4.3	100.0
Regular theatres	588	613	614	644	677	587	574	-2.4	91.4
Drive-ins	68	72	68	68	67	58	54	-20.6	8.6
Paid admissions ('000)	91,327	99,051	111,633	119,291	119,271	123,815	119,637	31.0	...
Average ticket price ($)	5.04	5.25	5.46	5.78	6.3	7.27	7.45	47.8	...
Number of screens	1,989	2,269	2,550	2,926	3,258	2,979	2,990	49.8	...
Number of seats (regular theatres)	493,207	540,257	595,778	675,802	739,156	660,342	660,872	34.0	...
Number of cars (drive-ins)	48,467	48,596	43,676	44,270	42,819	34,068	33,625	-30.6	...
Seat capacity – theatres only (%)	22.4	20.4	20.6	20.0	17.9	20.6	18.4	...	...
Revenue – combined ($'000)	626,249	714,624	842,721	946,663	1,026,902	1,235,495	1,223,913	95.6	100.0
Admission receipts	441,170	498,896	581,915	654,873	705,726	854,021	845,532	94.8	69.1
Concessions	175,872	202,063	245,655	272,489	290,038	350,202	347,470	97.6	28.4
Other operating	6,754	9,583	11,053	10,742	17,758	24,107	24,960	269.6	2.0
Non-operating	4,453	4,082	4,098	8,559	7,380	8,165	5,951	33.6	0.5
Total expenses ($'000)	563,537	629,437	768,584	904,994	1,046,127	1,171,468	1,169,184	107.5	100.0
Salaries and wages	93,962	99,680	118,764	134,304	146,513	149,966	149,793	59.4	12.8
Employee benefits	8,826	9,931	11,048	13,665	13,516	14,574	14,228	61.2	1.2
Film rental and royalty payments	205,968	235,994	278,824	317,923	340,920	438,646	432,511	110.0	37.0
Cost of refreshments sold	40,095	49,082	57,791	65,582	62,761	70,194	69,395	73.1	5.9
Occupancy costs	118,070	125,589	160,795	201,439	260,676	263,174	283,406	140.0	24.2
Depreciation and amortization	26,048	30,430	48,935	50,652	91,397	98,464	94,201	261.6	8.1
Interest expense	4,204	4,373	6,753	7,735	7,316	10,009	5,733	36.4	0.5
Marketing, sales, promotion and advertising	14,509	17,152	18,634	27,962	26,345	16,191	14,463	-0.3	1.2
All other operating expenses	51,854	57,206	67,039	85,732	98,684	110,250	105,454	103.4	9.0
Profit ($'000)	64,712	85,187	74,137	41,669	-27,225	65,027	54,729	...	...
Profit as percentage of total revenue	10.3	11.9	8.8	4.4	-2.7	5.3	4.5	...	...

... not applicable

Source: Statistics Canada, Motion Picture Theatres Survey.

Table C10

Employment and personnel expenses, Canada

	1996/97	1997/98	1998/99	1999/00	2000/01	2002/03	2003/04	Percentage change
Total employees	10,141	11,171	13,276	16,195	22,385	17,885	17,479	72.4
Full-time	1,383	1,383	1,669	1,891	2,208	1,974	1,960	41.7
Part-time	8,758	9,788	11,607	14,304	20,177	15,911	15,519	77.2
Full-time (%)	13.6	12.4	12.6	11.7	9.9	11.0	11.2	...
Working proprietors and family workers	0	241	283	253	258	387	304	24.1
Total personnel expenses ($'000)	102,790	105,611	125,212	147,959	160,029	164,540	154,027	55.6

... not applicable

Source: Statistics Canada, Motion Picture Theatres Survey.

All film, video and audiovisual

Table C11

Percentage of individuals 15 years of age and older who participated in film-related activities within the past 12 months, Canada

Activity	1992	1998	Percentage point change
Go to a movie	49	59	11
Watch a video on VCR	71	73	2
View video or listen to music on the Internet	..	5	..

.. not available for a specific reference period

Source: Statistics Canada, General Social Survey.

Table C12

Average annual household spending on film-industry related goods and services, Canada (current $)

	1996	1997	1998	1999	2000	2001	2002	2003	Percentage change
						$			
Rental of videotapes and video discs	92	95	102	100	98	100	95	93	1.1
Movie theatres	58	73	77	90	97	100	112	107	84.5
Total culture goods and services	1,152	1,181	1,244	1,289	1,327	1,401	1,446	1,467	27.3
Total goods and services (before taxes)	38,322	39,313	40,397	41,913	43,822	45,524	48,065	48,782	27.3

Source: Statistics Canada, Survey of Household Spending.

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Television viewing, Canada

Table C13

Average hours of television viewing, by age group, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	Change
Total population	22.8	22.7	22.3	21.6	21.5	21.2	21.6	21.7	-1.1
Men									
18 years and older	21.9	21.7	21.4	20.9	20.9	20.9	21.0	20.7	-1.2
18 to 24 years	14.4	14.3	14.3	13.8	13.2	12.9	12.6	11.1	-3.3
25 to 34 years	18.8	18.3	18.3	17.5	16.9	16.6	16.6	15.9	-2.9
35 to 49 years	19.9	19.8	19.1	18.6	18.5	18.4	18.9	18.2	-1.7
50 to 59 years	23.8	23.3	23.4	22.4	22.2	23.2	22.7	22.7	-1.1
60 years and older	32.5	32.2	32.2	31.5	32.3	32.0	31.9	33.0	0.5
Women									
18 years and older	26.5	26.5	26.4	25.5	25.5	25.3	25.8	26.3	-0.2
18 to 24 years	18.6	18.0	17.6	17.6	16.5	16.5	16.3	15.5	-3.1
25 to 34 years	23.4	23.0	23.2	21.0	21.2	20.5	21.7	22.1	-1.3
35 to 49 years	23	23.5	23.1	22.4	22.0	22.4	22.7	23.8	0.8
50 to 59 years	28.9	28.5	28.7	27.6	27.9	27.0	27.5	28.4	-0.5
60 years and older	36.5	36.1	36.2	35.5	35.8	35.5	35.9	35.1	-1.4
Teens									
12 to 17 years	17.3	16.9	15.9	15.5	14.1	13.1	13.7	14.8	-2.5
Children									
2 to 11 years	17.9	17.9	16.6	15.5	15.5	14.2	14.6	14.0	-3.9

Source: Statistics Canada, Television Viewing Databank.

Table C14

Percentage distribution of television viewing time, by origin of programme and origin of station, Canada

	All television stations			Foreign stations	Canadian stations		
	Canadian programs	Foreign programs	Total	All programs	All programs	Canadian programs	Foreign programs
1996	39.1	60.9	100.0	21.5	78.5	38.8	39.7
1997	40.0	60.0	100.0	20.9	79.1	39.8	39.3
1998	38.9	61.1	100.0	22.4	77.6	38.6	39.0
1999	38.5	61.5	100.0	22.0	78.0	38.3	39.7
2000	39.2	60.8	100.0	21.9	78.1	38.9	39.2
2001	38.9	61.1	100.0	22.9	77.1	38.6	38.5
2002	39.3	60.7	100.0	20.3	79.7	39.1	40.6
2003	40.2	59.8	100.0	19.2	80.8	39.9	40.9
Percentage point change	1.1	-1.1	0.0	-2.3	2.3	1.1	1.2

Source: Statistics Canada, Television Viewing Databank.

Table C15

Percentage distribution of television viewership by type of program, Canada

Type of program	1996	1997	1998	1999	2000	2001	2002	2003	Percentage point change
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	...
News and public affairs	24.2	23.6	23.4	23.0	24.1	25.9	25.2	26.2	2.0
Documentary	2.8	2.9	2.6	3.0	3.7	3.8	3.6	3.8	1.0
Instruction:									
Academic	1.4	1.7	1.8	2.3	2.3	2.5	3.6	3.3	1.9
Social/recreational	1.1	1.1	1.2	1.1	1.3	1.3	1.2	1.2	0.1
Religion	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.2	-0.1
Sports	8.8	8.3	8.4	8.3	8.5	8.5	8.2	8.2	-0.6
Variety and games	10.7	10.2	10.7	11.8	11.9	11.3	11.5	12.9	2.2
Music and dance	1.1	1.4	1.2	1.2	1.2	1.3	1.0	1.2	0.1
Comedy	13.4	12.8	11.6	11.1	11.7	11.3	11.4	11.3	-2.1
Drama	27.4	28.7	28.2	29.3	27.5	27.4	27.1	24.9	-2.5
Other/unknown									
VCR	5.8	5.5	5.3	5.2	4.6	4.2	4.5	4.5	-1.3
Other	3.1	3.5	5.4	3.4	2.9	2.1	2.3	2.1	-1.0

Source: Statistics Canada, Television Viewing Databank.

Table C16

Labour force characteristics, motion picture and video industries, Canada

	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
Motion picture and video industries									
Number	35,204	32,223	46,478	46,470	50,344	57,477	57,471	54,430	54.6
Unemployed (%)	10.2	7.3	7.0	9.1	11.1	9.1	9.4	10.2	...
Class of worker									
Employee (%)	71.2	70.8	74.3	71.1	74.5	80.5	74.2	70.4	...
Self-employed (%)	28.8	29.2	25.7	28.9	25.5	19.4	25.8	29.5	...
Full-time/part-time status									
Full-time (%)	68.3	70.4	76.7	71.1	76.5	68.0	67.9	66.2	...
Part-time (%)	31.7	29.6	23.3	28.9	23.5	32.0	32.1	33.8	...
Total labour force									
Number	15,058,490	15,296,779	15,575,012	15,842,125	16,110,770	16,580,094	16,953,978	17,183,430	14.1
Unemployed (%)	9.2	8.4	7.6	6.8	7.2	7.7	7.6	7.2	...
Class of worker									
Employee (%)	83.8	83.7	83.8	84.6	85.5	85.6	85.5	85.3	...
Self-employed (%)	16.2	16.3	16.2	15.4	14.5	14.4	14.5	14.7	...
Full-time/part-time status									
Full-time (%)	80.9	81.2	81.6	81.9	81.9	81.2	81.1	81.5	...
Part-time (%)	19.1	18.8	18.4	18.1	18.1	18.8	18.9	18.5	...

... not applicable

Source: Statistics Canada, Labour Force Survey.

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Table C17

Government expenditures on film and video

Function	Level of government			Total gross expenditures	Share of total culture expenditures
	Federal	Provincial/ Territorial	Municipal*		
	($'000)	($'000)	($'000)	($'000)	%
Film and video					
1996/97	297,873	61,549	..	359,422	5.9
1997/98	301,669	56,891	..	358,560	6.0
1998/99	292,547	51,203	..	343,750	5.6
1999/00	294,072	63,199	..	357,271	5.7
2000/01	305,945	64,575	0	370,520	5.5
2000/02	328,585	71,133	0	399,718	5.6
2002/03	397,786	67,413	0	465,199	6.3
2003/04	386,183	80,676	0	466,859	6.1
Total expenditures					
1996/97	2,764,120	1,777,912	1,525,824	6,067,856	...
1997/98	2,660,880	1,737,412	1,561,913	5,960,205	...
1998/99	2,817,086	1,888,791	1,447,959	6,153,836	...
1999/00	2,809,375	1,958,063	1,535,591	6,303,029	...
2000/01	2,954,794	2,078,613	1,660,319	6,693,725	...
2000/02	3,216,926	2,069,215	1,813,556	7,099,698	...
2002/03	3,425,692	2,108,925	1,873,813	7,408,429	...
2003/04	3,499,568	2,200,067	2,007,040	7,706,675	...

.. not available for a specific reference period

... not applicable

* Municipal spending is on a calendar year basis.

Sources: Statistics Canada: Survey of Federal Government Expenditures on Culture; Survey of Provincial/Territorial Government Expenditures on Culture; Public Institutions Division and Culture, Tourism and the Centre for Education Statistics Division.

Table C18

Economic impact, motion picture and video industries, Canada

	1996	1997	1998	1999	2000	2001	Percentage change
Employment							
Motion picture and video	44,000	49,800	63,800	78,800	84,000	91,800	108.6
All culture industries	517,800	513,100	537,300	554,400	604,900	611,000	18.0
All industries	13,462,600	13,744,400	14,140,400	14,531,200	14,909,700	15,076,800	12.0
				($'000,000)			
GDP							
Motion picture and video	2,113	2,124	2,565	2,876	3,069	3,212	52.0
All culture industries	29,233	30,441	32,375	33,953	37,489	38,486	31.7
All industries	774,404	816,763	840,473	903,750	995,219	1,022,055	32.0

Sources: Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.

Table C19

International trade in film and video goods, Canada

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Percentage change
						($'000)				
Imports										
Film and video	13,109	14,204	13,670	17,134	14,666	12,453	13,414	10,160	8,578	-34.6
Film	210,295	375,274	439,728	521,446	532,964	642,737	762,893	855,213	858,902	308.4
Video	223,404	389,477	453,398	538,580	547,630	655,190	776,307	865,373	867,480	288.3
Total film and video	3,134,235	3,629,754	3,904,243	3,984,699	4,052,373	4,212,031	4,415,529	4,535,178	4,434,723	41.5
Total culture goods										
Film and video share of total culture goods imports (%)	7.1	10.7	11.6	13.5	13.5	15.6	17.6	19.1	19.6	...
Exports										
Film and video	88,501	77,924	93,955	136,598	148,799	187,060	241,123	339,540	344,430	289.2
Film	100,911	99,154	112,112	142,976	161,000	204,639	247,620	278,762	300,515	197.8
Video	189,412	177,078	206,067	279,574	309,799	391,699	488,743	618,302	644,945	240.5
Total film and video	1,254,453	1,377,138	1,672,567	1,894,917	2,103,277	2,286,876	2,458,042	2,465,578	2,404,685	91.7
Total culture goods										
Film and video share of total culture goods exports (%)	15.1	12.9	12.3	14.8	14.7	17.1	19.9	25.1	26.8	...

... not applicable

Sources: Statistics Canada: Culture goods trade 2004; Culture trade – goods: Data tables, October 2005, Catalogue No. 87-007-XIE.

Private television broadcasting

Table C20

Profile of privately-owned television industry, Canada*

($000's unless otherwise noted)	1996	1997	1998	1999	2000	2001	2002	2003	2004	Change
Operating revenue	1,581,024	1,703,298	1,821,868	1,873,902	1,887,221	1,910,852	1,900,887	2,102,802	2,122,110	34.2
	1,581,024	1,703,298	1,821,868	1,873,902	1,887,222	1,910,853	1,900,887	2,102,803	2,122,110	...
Sales of air time	1,487,168	1,594,994	1,723,095	1,758,161	1,762,913	1,790,133	1,760,729	1,932,585	1,942,964	30.6
Local time sales	341,909	360,805	371,974	383,269	361,380	370,286	348,674	345,529	367,140	7.4
National and network time sales	1,130,812	1,222,387	1,339,562	1,359,743	1,384,187	1,400,236	1,393,675	1,570,035	1,557,339	37.7
National time sales	891,930	986,594	1,099,485	1,101,359	1,130,480	1,124,452	1,152,362	..	..	..
Network time sales	238,882	235,793	240,077	258,384	253,707	275,784	241,313	..	..	..
Infomercials	14,447	11,802	11,559	15,149	17,346	19,611	18,380	17,021	18,485	28.0
Total production and other	93,856	108,304	98,773	115,741	124,309	120,720	140,158	170,218	179,146	90.9
Total expenses	1,470,342	1,524,015	1,701,336	1,678,998	1,708,607	1,709,879	1,757,137	1,852,798	1,940,956	32.0
Interest expense	102,126	84,945	80,231	84,468	81,239	40,674	34,894	50,320	51,384	-49.7
Operating expenses**	1,368,216	1,439,069	1,621,106	1,594,531	1,627,368	1,669,205	1,722,242	1,802,479	1,889,573	38.1
Program cost	861,944	917,540	1,053,939	1,022,363	1,060,366	1,112,200	1,140,493	1,208,409	1,277,977	48.3
Technical services	75,946	73,837	77,818	76,816	72,466	60,159	64,125	63,864	65,255	-14.1
Sales and promotion	172,057	187,962	202,504	210,686	208,873	206,872	223,198	213,119	219,672	27.7
Administration and general	199,434	200,014	226,493	216,631	216,926	219,244	217,966	236,814	244,454	22.6
Depreciation	58,835	59,716	60,352	68,035	68,737	70,731	76,461	80,273	82,215	39.7
Net operating income	110,683	179,283	120,532	194,904	178,614	200,973	143,750	250,004	181,154	63.7
Net profit after other adjustments and before income taxes	69,193	167,166	112,315	182,639	180,032	132,104	92,167	188,362	112,199	62.2
Net profit after income taxes	30,168	85,340	52,986	95,387	105,225	125,624	91,898	174,403	95,107	215.3
Salaries and other staff benefits	459,107	484,967	483,694	480,936	478,069	495,270	521,308	542,415	559,006	21.8
Number of employees (weekly average)	8,023	7,788	7,761	7,664	7,624	7,784	7,868	7,974	8,072	0.6
Net profit as percentage of operating revenue	4.4	9.8	6.2	9.7	9.5	6.9	4.8	9.0	5.3	...

.. not available for a specific reference period

... not applicable

* These statistics cover private commercial television broadcasters. They do not cover non-commercial television broadcasters or pay and specialty television operators.

** With the release of 2004 data, the operating expenses category has been redefined to exclude interest expenses. Data for previous years have been restated accordingly. The new definition is consistent with the standards set out in Statistics Canada's chart of accounts.

Source: Statistics Canada, Radio and Television Broadcasting Survey.

Appendix D

Internet

The Internet and computers have assumed important roles in culture industries. For example, the downloading of songs from the Internet may have affected sound recording sales. Meanwhile, film production has been made easier by digital cameras, computer software, the availability of content on the Internet and 'whale mail' that allows the transmission of large files.

In 1998 (the most recent year for which data is available from the General Social Survey) 31.8% of adult Ontarians used the Internet, with around one in four adults in Ontario using it to communicate or do research. The following table presents general Internet participation/use data that may be pertinent to culture industries in Ontario. This is followed by national-level data, parallel to that previously given in the report for Ontario.

Table D1

Percentage of individuals 15 years of age and older who participated in internet activities within the past 12 months, Ontario and Canada, 1998[44]

	Ontario	Canada
Use Internet	31.8	29.6
Internet – communicate	25.8	22.6
Internet – reseach	24.2	22.3
Internet – read	11.6	9.6
Internet – view video or listen to music	5.0	5.0
Internet – view art or collection	4.4	4.2
Internet – create composition	4.2	4.1
Internet – electronic banking	7.2	5.9
Internet – download software	12.7	11.2

Source: Statistics Canada, General Social Survey.

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Table D2

Percentage of households regularly using the Internet, by location of use, Canada

Canada	1997	1998	1999	2000	2001	2002	2003	Percentage point change
Home	16	22.6	28.7	40.1	48.7	51.4	54.5	38.5
Work	19.9	23.3	21.9	27.5	32.6	34.2	36.5	16.6
School	9.3	12.1	14.9	19.2	22.2	22.9	23.1	13.8
Public library	3.7	4.3	4.5	6.5	7.9	8.2	8.7	5
Other locations	2.8	2.6	3.9	3.2	9.6	10.4	10.4	7.6
Any location	29	35.9	41.8	51.3	60.2	61.6	64.2	35.2

1. Regular use of the Internet is based on the question 'in a typical month, does anyone in the household use the Internet?'
2. Data for 1997 and 1998 relate to computer communications such as banking by telephone, business use of the Internet and wide area network. Data for 1999 relate to general use of the Internet.

Source: Statistics Canada, Household Internet Use Survey.

Appendix E

Definition of culture industries for economic impact analysis

The broad culture sectors overviewed in this analyses were defined using the Canadian Framework for Culture Statistics (81-595- MIE2004021) and formed part of the total culture sector. A list of the sectors include: written media, broadcasting, film, advertising, performing arts, visual arts, libraries, design, sound recording and music publishing, heritage, architecture, photography and festivals. Each one consists of firms from the creation, production, manufacturing, distribution and support services spheres. For support services, the NAICS categories could not be apportioned to each culture sector, so they are not included in individual sector employment and GDP.

Written media creation includes establishments engaged in NAICS 71151 (Independent Artists, Writers and Performers) cross-tabulated by the following occupations: SOC F021 (Writers), F022 (Editors), F023 (Journalists) and F025 (Translators, Terminologists and Interpreters). Written media production includes workers in the following industries: NAICS 51111 (Newspaper Publishers), 51112 (Periodical Publishers), 51113 (Book Publishers), 51119 (Other Publishers) and 51611 (Internet Publishing and Broadcasting). Manufacturing includes workers in NAICS 32311 (Printing). Distribution includes NAICS 41442 (Distributors – Book, Periodical and Newspaper Wholesalers) and 45121 (Retail – Book Stores and Newspaper Wholesalers-Distributors).

Film industry creation includes establishments engaged in NAICS 71151 (Independent artists, writers and performers) cross-tabulated by the following occupations: SOC F031 (Producers, Directors, Choreographers and related), F035 (Actors), F122 (Film and Video Operators), F125 (Audio and Video Recording Technicians), F126 (Other Technical Occupations in Motion Pictures) and F127 (Support and Assisting Occupations in Motion Pictures). Film industry production includes workers in establishments coded to NAICS 51211 (Motion Picture and Video Production). Manufacturing includes NAICS 51219 (Post-Production and Other Motion Picture and Video Industries) and 33461 (Manufacturing and Reproducing Magnetic and Optical Media). The data from the Film, Video and Audio-Visual Post-Production Survey are used as a proxy for NAICS 51219 for employment and GDP. NAICS 33461 is allocated equally to film industry manufacturing and sound recording and music publishing manufacturing. Film industry distribution includes NAICS 51212 (Motion Picture and Video Distribution), 41445 (Video Cassette Wholesalers), 45122 (Pre-recorded Tape, Compact Disc and Record Stores), 51213 (Motion Picture and Video Exhibition) and 53223 (Video Tape and Disc Rental).

Sound recording and music publishing creation includes establishments engaged in NAICS 71151 (Independent Artists, Writers and Performers) cross-tabulated by the following occupations: SOC F031 (Producers, Directors, Choreographers and related), F033 (Musicians and Singers) and F125 (Audio and Video Recording Technicians). This category also includes NAICS 71113 (Musical Groups and Artists), but data are not available for this group. Sound recording and music publishing production includes NAICS 51221 (Record Production), 51222 (Integrated Record Production and Distribution), 7113 (Promoters of Presenting Arts, Sports and Similar Events) and 51224 (Sound Recording Studios). Manufacturing includes NAICS 33461 (Manufacturing and Reproducing Magnetic and Optical Media) and 512230 (Music Publishers – Publishing and Printing Combined). Distribution includes NAICS 41444 (Sound Recording Wholesalers) and 45122 (Retail – Pre-recorded Tape, Compact Disc and Record Stores).

NAICS 33461 is allocated equally to film industry manufacturing and sound recording and music publishing manufacturing. NAICS 45122 is allocated equally to film distribution and sound recording and music publishing distribution. Since provincial breakdowns are not available for the NAICS dealing with wholesale and retail trade, the provincial allocation of NAICS 51 (Wholesale Trade) and NAICS 44-45 (Retail Trade) are applied to the national figures to obtain provincial estimates.

Appendix F

Table F1
Definition of culture goods for trade analysis

Category	Sub category	Description	SCG Code
Written and published works	Books	Dictionaries and encyclopaedias, and serial instalments thereof	4901.91
		Other books (elementary and secondary school text books)	4901.99.4
		Other books (post secondary school text books)	4901.99.5
		Technical, scientific and professional books	4901.99.62
		Other printed books, brochures, leaflets and similar printed matter	4901.99.9
		Children's picture, drawing or colouring books	4903
	Newspapers and periodicals	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material	4902
	Other printed materials	Maps, hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	4905.91
		Printed brochures leaflets and similar printed matter, in single sheets, whether or not folded	4901.1
		Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery and the like, not of current or new issue in the country to which they are destined	9704
		Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings	4909
		Calendars of any kind, printed, including calendar blocks	4910
		Other printed matter, including printed pictures and photographs (excluding advertising materials)	4911.91
Film and video	Film	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting of only soundtrack, of a width of 35 mm or more, other than for television commercials	3706.10.90
		Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting of only soundtrack, other than a width of 35 mm or more, other than for television commercials	3706.90.90
	Video	Disks for laser reading systems, other than for sound recording and software	8524.39.90
		Video tape recordings, of a width exceeding 4 mm but not exceeding 6.5 mm	8524.52.2
		Video tape recordings, of a width exceeding 6.5 mm	8524.53.1
Sound recording and music publishing	Sound recordings	Gramaphone records	8524.1
		Discs for laser reading systems for reproducing sound only	8524.32
		Magnetic tapes of a width exceeding 3mm but not exceeding 6.5 mm	8524.52.90
		Magnetic tapes of a width exceeding 16mm, in cassettes	8524.53.90
	Printed music	Music, printed or in manuscript, whether or not bound or illustrated	4904

Source: Culture Statistics Program, Culture, Tourism and the Centre for Education Statistics Division, Statistics Canada.

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Endnotes

1. Data from the Film, Video and Audio-visual Survey show that only 4.2% of revenues earned from the distribution of film to the theatrical market in Canada for 2003/04 were for Canadian productions. By extension, box office revenues for Canadian productions are likely much lower than for foreign productions.
2. Coish, David. Statistics Canada, *Census Metropolitan Areas as Culture Clusters*, Culture, Tourism and the Centre for Education Statistics. Catalogue No. 89-613.
3. This study did not examine non-metropolitan areas of the province.
4. Singh, Vik, *Economic Contribution of the Culture Sector in Ontario*, Statistics Canada, 2004, Catalogue No. 81-595-MIE024; Singh, Vik, *Economic Contribution of the Culture Sector in Canada*, Statistics Canada, 2004, Catalogue No. 81-595-MIE023.
5. Byers, Michael, *This Round in the Cultural Protection Fight Goes to Canada*, Globe and Mail, October 21, 2005, A23.
6. **Book publishers** are firms or organizations which select and edit works and enter into a contractual agreement with the author or copyright holder for the production of the work in print or other format. The publisher sells the work through any channel of distribution, while bearing the risks associated with this production. **Exclusive agents** distribute and sell works published by another firm by acting as its sole representative. The exclusive agent is generally responsible for the marketing expenses of titles sold on an exclusive basis.
7. For the purposes of this analysis the book publishing industry is defined as including exclusive agency, a book distribution function.
8. *Reading and Buying Books for Pleasure: 2005 National Survey*, Department of Canadian Heritage, 2005, p. 10.
9. A foreign publisher operates outside of Canada.
10. Non-response rates, as well as variability in mail-out lists, may also account for some of the year-over-year differences in the number of publishers and exclusive agents. This is especially the case for small and new firms.
11. Publishers and exclusive agents are categorized based on their major source of revenue. For example, if a firm earns 85% of more of their revenue from exclusive agency activity they as classified as exclusive agents. Otherwise, they are classified as a publisher.
12. CPI data for school textbooks and supplies and books (excluding textbooks) and other printed material are not available for Ontario. Therefore, national measures are given.
13. Culture goods and services include rental of videotapes and video discs, motion picture theatres, live performing arts, admission to museums and other activities and venues, rental of cablevision and other satellite services, books and pamphlets, newspapers, magazines and periodicals, maps, sheet music and other printed materials and services related to reading materials.
14. For the culture trade analysis, culture goods include written and published works, film and video, sound recording and music publishing, visual arts, architecture, advertising, heritage and photography.
15. The trade data given above are derived by the International Trade Division at Statistics Canada. It is based on the Standard Classification of Goods (SCG) and includes 'other printed books, brochures, leaflets and similar printed matter' among books. This 'other' type of printed material is not reported by the Survey of Book Publishers and Exclusive Agents. Furthermore, the trade data given above includes materials published by government agencies and departments. The Survey of Book Publishers and Exclusive Agents does not report data for government agencies and departments. For these reasons users should use caution in comparing data from these two sources.
16. Cost of sales of advertising was discontinued as a questionnaire category in 2003/04 and most of this was likely reported under marketing and promotion or fulfillment and invoicing.
17. Since cost of sales of advertising was dropped as a category in 2003/04, a comparison of changes across expense categories will not be done.
18. The CPI for magazines and periodicals is not available at the provincial level, so the national rate is used in this case.
19. Separate trade data for periodicals and newspapers are not available as this is at the 8-digit level of the SCG. The lowest level of detail available from the International Trade Division is at the 6-digit level.
20. LFS data are not available for the book and periodical publishing industries separately.
21. Total culture expenditures include those for the literary arts, heritage resources, arts education, performing arts, visual arts and crafts, film and video, broadcasting, sound recording, multiculturalism and other culture activities.
22. This includes grants to authors and publishers for the publication of books, periodicals, magazines and newspapers. It also includes financial support for literary seminars, workshops and prizes, as well as subsidies to bookstores and distributors.

23. For comparative purposes, the total revenues from the Survey of Newspaper Publishers were:
    2004 - $5.05 b
    2003 - $4.89 b
    2002 - $4.67 b
    2001 - $4.59 b
    2000 - $4.74 b
    1999 - $4.63 b
24. Coish, David, *Census Metropolitan Areas as Culture Clusters*, Statistics Canada, Catalogue No. 89-613-MIE004, 2004.
25. A musical selection is deemed to be by a 'Canadian artist' if the instrumentation or lyrics were principally performed by a Canadian citizen or landed immigrant. For recordings by more than one artist (e.g., compilations), a recording is counted as a Canadian-artist release if 50% or more of the artists are Canadian.
26. This includes distribution for others, sale of music videos, sale of masters, leasing and licensing fees, publishing royalties, artist management and sundry income from other record-industry related activities.
27. The 2005 General Social Survey will contain the next series of questions on participation, including culture activities. Data from this survey are expected to be released in December 2006.
28. Data are not available for Ontario from this survey.
29. Pedwell, Terry, *Illegal Downloading Big With Kids: Polls*, Canadian Press, September 29, 2005.
30. In 1998, the category Golden Oldies/Rock was split from Adult Contemporary. In this analysis they are reported together.
31. Expenditures relate to the creation of records, tapes, compact discs and other digital recordings, as well as funds for the operation of studios and purchase of equipment. Also includes expenditures related to distribution, including subsidies to distribution companies, manufacturers and stores.
32. This includes television productions.
33. This total includes revenue for production houses operating in Ontario, but does not include foreign production shoots in this province, nor in-house productions by Ontario broadcasters.
34. These include rental of production facilities, post-production services, film distribution, dividends, interest, non-repayable financial aid and other sources of operating and non-operating revenues.
35. The table shows change from 1999/2000 to 2001/02, as data were not available for television productions for 1996/97, 1997/98 and 1998/99.
36. These are productions which are not categorized as feature films, television programs, television commercials, music videos, corporate videos or educational videos.
37. Film processing and printing are film laboratory functions, but are considered to be part of the post-production industry for the Survey of Film, Video and Audio-Visual Post-Production.
38. Distribution of Canadian and non-Canadian productions.
39. This refers to the percentage of seats that were filled over the survey year.
40. Expenditures related to the creation, production, dissemination and exhibition of films and videos. This support can be given to a business, organization, association or society.
41. These expenditures are capital or operating, but do not include tax credits.
42. The impact of foreign location shooting in Canada is reflected in LFS employment data when respondents are Canadian members of a foreign film crew.
43. The impact of foreign location shooting in Canada on domestic spending is reflected in this GDP data.
44. Exports include goods which are produced in Canada and goods which cross the Canadian border. For example, if a Canadian distributor has a territorial agreement to distribute the productions of a Canadian producer in Europe, these would be counted as film and video exports.
45. GSS data on Internet use were not collected in 1992.

Culture, Tourism and the Centre for Education Statistics

Research Papers

Cumulative Index

Statistics Canada's **Division of Culture, Tourism and the Centre for Education Statistics** develops surveys, provides statistics and conducts research and analysis relevant to current issues in its three areas of responsibility.

The **Culture Statistics Program** creates and disseminates timely and comprehensive information on the culture sector in Canada. The program manages a dozen regular census surveys and databanks to produce data that support policy decision and program management requirements. Issues include the economic impact of culture, the consumption of culture goods and services, government, personal and corporate spending on culture, the culture labour market, and international trade of culture goods and services. Analysis is also published in *Focus on Culture* (87-004-XIE, $8, http://www.statcan.ca:8096/bsolc/english/bsolc?catno=87-004-X).

The **Tourism Statistics Program** provides information on domestic and international tourism. The program covers the Canadian Travel Survey and the International Travel Survey. Together, these surveys shed light on the volume and characteristics of trips and travellers to, from and within Canada. Analysis is also published in *Travel-log* (87-003-XIE, $5, http://www.statcan.ca:8096/bsolc/english/bsolc?catno=87-003-X).

The **Centre for Education Statistics** develops and delivers a comprehensive program of pan-Canadian education statistics and analysis in order to support policy decisions and program management, and to ensure that accurate and relevant information concerning education is available to the Canadian public and to other educational stakeholders. The Centre conducts fifteen institutional and over ten household education surveys. Analysis is also published in *Education Matters* (81-004-XIE, free, http://www.statcan.ca:8096/bsolc/english/bsolc?catno=81-004-X), and in the *Analytical Studies Branch research paper series* (11F0019MIE, free, http://www.statcan.ca:8096/bsolc/english/bsolc?catno=11F0019M).

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81-595-MIE2002001	Understanding the rural-urban reading gap
81-595-MIE2003002	Canadian education and training services abroad: the role of contracts funded by international financial institution
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81-595-MIE2004015	Working and Training: First Results of the 2003 Adult Education and Training Survey
81-595-MIE2004016	Class of 2000: Profile of Postsecondary Graduates and Student Debt
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81-595-MIE2004020	Culture Goods Trade Estimates: Methodology and Technical Notes
81-595-MIE2004021	Canadian Framework for Culture Statistics
81-595-MIE2004022	Summary public school indicators for the provinces and territories, 1996-1997 to 2002-2003
81-595-MIE2004023	Economic Contribution of Culture in Canada
81-595-MIE2004024	Economic Contributions of the Culture Sector in Ontario
81-595-MIE2004025	Economic Contribution of the Culture Sector in Canada – A Provincial Perspective
81-595-MIE2004026	Who pursues postsecondary education, who leaves and why: Results from the Youth in Transition Survey
81-595-MIE2005027	Salaries and salary scales of full-time teaching staff at Canadian universities, 2002-2003: final report
81-595-MIE2005028	Canadian School Libraries and Teacher-Librarians: Results from the 2003/04 Information and Communications Technologies in Schools Survey
81-595-MIE2005029	Manitoba postsecondary graduates from the Class of 2000 : how did they fare?
81-595-MIE2005030	Salaries and salary scales of full-time teaching staff at Canadian universities, 2004-2005: preliminary report
81-595-MIE2005031	Salaries and salary scales of full-time teaching staff at Canadian universities, 2003-2004: final report
81-595-MIE2005032	Survey of Earned Doctorates: A Profile of Doctoral Degree Recipients
81-595-MIE2005033	The Education Services Industry in Canada
81-595-MIE2005034	Connectivity and ICT Integration in First Nations Schools: Results from the Information and Communications Technologies in Schools Survey, 2003/04
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81-595-MIE2005036	Participation in Postsecondary Education: Evidence from the Survey of Labour Income Dynamics
81-595-MIE2006037	Economic contribution of the culture sector to Canada's provinces
81-595-MIE2006038	Profile of selected culture industries in Ontario